



PHONE (850) 425-6654 FAX (850) 425-6694 WEB WWW.RADEYLAW.COM
MAIL POST OFFICE BOX 10967 | TALLAHASSEE, FL 32302 OFFICE 301 SOUTH BRONOUGH ST. | STE. 200 | TALLAHASSEE, FL 32301

February 18, 2026

VIA Electronic Filing to the Office of Commission Clerk

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Attn: Daniel Dose, Senior Attorney

Re: Docket 20250130-WS – Petition for an acquisition adjustment for a non-viable utility, by CSWR-Florida Utility Operating Company, LLC.

Dear Mr. Dose:

CSWR-Florida Utility Operating Company, LLC (“CSWR-Florida”) submits the following responses to Staff’s January 27, 2026 First Data Request.

Please refer to CSWR-Florida Utility Operating Company, LLC (CSWR-FL or Utility) petition for an acquisition adjustment relating to its 2022 acquisition of the Neighborhood Utilities, Inc. (Neighborhood) water system for the following questions (Document No. 14784-2025, filed on October 24, 2025):

1. Please explain, with specificity, the rationale for paying above net book value for the acquired utility.

Response: When evaluating a system for potential acquisition, CSWR-Florida consults publicly available documents, such as Commission annual reports and available information from health and environmental regulators. It also conducts site visits to get a better understanding of the plant configuration and the condition of the equipment. A final purchase price is determined through arms-length negotiations between the parties, with CSWR Florida's ultimate objective being to pay the least amount that a utility/seller will accept.

In practice, utility owners frequently have economic incentives to retain ownership rather than sell at net book value. One such incentive is the ability to compensate themselves or earn other financial benefits as a result of ownership. As a result, CSWR-Florida has not encountered a utility owner willing to sell a system at net book value absent extraordinary circumstances, such as receivership. This experience is

consistent with CSWR-Florida’s prior acquisitions in Florida, all of which were negotiated at prices above net book value.

In addition, CSWR-Florida believes that the net book values for many small utility systems may be artificially low due to the regulatory structure under which those systems operate. Specifically, under annual price index adjustment mechanisms, utility owners may have limited incentive to capitalize infrastructure investments that would otherwise be capitalized in a traditional rate case environment. Over time, this can result in systems with aging or inadequate infrastructure, significant deferred maintenance, and net book values that do not reflect the true replacement cost or operational condition of the assets used to provide service. Consequently, net book value may materially understate the economic value of the system as a going concern and does not serve as a reliable indicator of market value in an arm’s-length transaction.

Accordingly, CSWR-Florida’s acquisition prices are not based on net book value alone, but rather reflect system-specific factors, including physical condition, operational risks, anticipated capital investment requirements, and the outcome of arm’s-length negotiations between independent parties. This approach is consistent with CSWR-Florida’s prior acquisition filings and testimony before the Commission.

2. Please explain how the proposed acquisition, which reflects an acquisition premium over the net book value of the acquired utility, is reasonable and consistent with Section 366.03, Florida Statutes.

Response: Section 366.03, Florida Statutes, provides in part that “Each public utility shall furnish to each person applying therefore reasonably sufficient, adequate, and efficient service upon terms as required by the commission.” Prior to acquisition of the water system by CSWR-Florida, the customers of the former Neighborhood system have not had service that was sufficient, adequate, or efficient. At the time of its acquisition, the Neighborhood water system was non-viable and was unable to provide and maintain safe, adequate, and reliable service and facilities to its customers. The water system was operated in such a technically deficient manner that it received regular citations from the FDEP for violations of regulations designed to ensure drinking water is safe for customers and that service is reliable. As discussed in the Petition, many of the system’s assets were in poor condition and were at or near the end of their useful lives at the time of their acquisition. In addition, prior operations of the system and other management failures, including failure to replace, repair, and maintain equipment, provided a level of customer service that was neither safe nor adequate. CSWR-Florida is bringing sufficient, adequate, and efficient service to the customers.

Section 366.03 also provides that “All rates and charges . . . shall be fair and reasonable.” The customers have benefitted tremendously from this acquisition, and will continue to so benefit into the future. Section IV of the Petition lays out the range of benefits to customers, the most important of which is eliminating their dependence on the failing components of the Neighborhood system. In addition, because these systems would be part of the much larger CSWR-Florida water utility, through economies of scale and statewide rate consolidation the rate impact to customers is minimal as compared to the benefits and upgrades to their service. If the Commission grants the full acquisition adjustment requested, at the longest amortization to minimize rate impact as CSWR-Florida has requested, then the impact to customers of the acquisition adjustment is projected to be only \$0.17 per month if rates are consolidated by the Commission and \$2.49 per month if rates are not consolidated. The acquisition and proposed acquisition adjustment provide substantially more of a benefit to customers than just being baseline reasonable.

3. Please identify and discuss any internal or external concerns raised about paying in excess of book value for the acquired utility.

Response: Certainly, the acquisition of the system was thoroughly reviewed, vetted, and discussed prior to closing, and no internal or external concerns were raised regarding payment in excess of net book value. The Company’s mission is to acquire and rehabilitate small, distressed water and wastewater systems that lack the capital, scale, or technical resources necessary to provide safe and reliable service on a sustainable basis. CSWR Florida believed it could bring these and other benefits to the customers served by the Neighborhood system, and the Company’s performance since it acquired that system has proved those beliefs to be correct. In addition, based upon numerous acquisition transactions throughout the eleven-state footprint served by CSWR-affiliates, the Company knew that while regulators focus on the net book value of a system’s assets the owners of those systems oftentimes focus on the market value of those same assets, which is almost always significantly greater. Therefore, while CSWR’s utility affiliates always enter into negotiations with the objective of paying the least amount possible for the water and wastewater systems they acquire, many times sellers will not accept a final purchase price at or near the net book value of the assets being sold.

Recent changes to Florida’s regulatory framework—including the Commission’s adoption of fair market valuation concepts and updates to the acquisition adjustment rule applied in this docket—implicitly acknowledge the reality described above – i.e., that acquisitions may require a price above net book value. In addition, those policy changes demonstrate a clear preference for well-capitalized, professionally managed utilities to acquire and revitalize failing systems. These changes recognize that net book value alone does not reflect the economic realities of small utility ownership and the price those owners are willing to accept for their systems. They also recognize that due to the condition of aging infrastructure, or the level of capital investment

required to restore systems to long-term viability, a sale of those systems to utilities better able to upgrade and maintain the systems is in the long-term best interests of the customers served by those systems – even it that requires recognition of a purchase price above net book value.

Rather than focusing solely on the present net book value of assets that may be decades old, the Company takes a long-term view centered on system sustainability, service reliability, and environmental compliance. The Company believes Florida should welcome, encourage, and support substantial private capital investment by utilities willing and able to assume the risks associated with turning around distressed systems. Revitalizing these systems benefits customers, reduces the risk of service failures and environmental harm, and does so at reasonable rates and a reasonable return, consistent with the Commission’s stated policy objectives.

4. Regarding this acquisition in relation to the acquisition adjustment requests in Docket Nos. 20250038-WS, 20250043-WS, 20250047-WS, and 20250136-WS, please explain the variation in acquisition premiums among the five acquired utilities and what factors contributed to those differences.

Response: Acquisition adjustments vary among CSWR-Florida’s acquisition adjustment cases based on system-specific factors, including each utility’s net book value, physical condition, operational viability, and the circumstances of the arm’s-length negotiations with the seller. Each acquisition is evaluated on its own merits, and differences in these factors necessarily result in differences in purchase prices and associated acquisition premiums. Purchase price is not determined by net book value. CSWR-Florida has yet to encounter a system owner who will sell at net book value, when they have the alternative of continuing to run the system and defer maintenance and updates. Until the point of receivership or environmental disaster, the status quo and running down the system tends to be profitable.

With respect to the Neighborhood system, the Commission issued a Proposed Agency Action Order on October 25, 2022 (PSC-2022-0364-PAA-WU), which established the system’s net book value at \$60,063 as of January 31, 2022. The purchase price for the Neighborhood system was determined through arm’s-length negotiations between independent parties and reflects the specific characteristics and condition of that system at the time of acquisition. Accordingly, any acquisition premium associated with the Neighborhood system is attributable to those system-specific factors and differs from other dockets involving different utilities.

5. Please explain why no appraisal was obtained as part of CSWR-Florida's acquisition of the acquired utility.

Response: Please see Attachment "DR 5 – Valuation", which includes the third-party valuation report and all supporting documentation related to the valuation of the Neighborhood Utilities assets.

6. Please discuss if any lower-cost acquisition alternatives were considered.

Response: No, the Company did not consider purchasing a different system than this one as a lower-cost alternative, if that is the question. The Company has acquired a range of systems at a range of costs. The acquisition of this system was the product of arms-length negotiations. There was not a lower-cost alternative means to acquire this system.

7. Please indicate whether the Utility used or contemplated any risk-sharing mechanisms (e.g., seeking partial recovery of the premium, contingencies, etc.). If so, please discuss.

Response: No. CSWR-Florida did not use or contemplate any risk-sharing mechanisms, other than this acquisition adjustment recovery process. CSWR-Florida takes the risks of ownership when it acquires a system.

8. Please indicate whether the Utility considered voluntarily reducing the adjustment to mitigate ratepayer impact. If so, please discuss.

Response: No. CSWR-Florida believes the Neighborhood water system was non-viable and that customers have clearly benefited from this acquisition, as detailed in the Petition. To mitigate customer impact, CSWR-Florida has requested the maximum allowable amortization. CSWR-Florida's 5-year projected consolidated rate impact is \$0.17 per water customer per month. As such, the Company believes that the benefits provided far outweigh the projected rate impact.

9. Please provide documentation showing whether the Utility sought to renegotiate terms based on any discovered risks of acquiring the utility.

Response: None. No renegotiation of terms occurred.

10. Please identify and explain whether any scenarios were considered where a portion of the acquisition premium could be disallowed.

Response: No, the Company has taken the risks associated with acquiring this system. The Company is aware that the Commission may Order a partial acquisition adjustment or deny an acquisition adjustment. This may impact the Company's willingness to continue to invest in Florida by acquiring other systems, but it does not impact the acquisition of this system, which has long since closed.

11. Please provide a full breakdown of any additional costs related to the acquisition incremental to purchase price (i.e., transactional and regulatory costs).

Response: Please see the attachment "DR 11 – Additional Costs."

12. Please identify any problems or concerns that were raised during the due diligence period that could have or did effect the purchase price.

Response: None. The Company's mission is to acquire failing and neglected systems. These systems are all rife with problems and concerns.

13. Please indicate whether the acquisition was subject to an independent audit or review. If so, please discuss the results of such review.

Response: No, it was not. The Company makes its own acquisition decisions.

14. Please provide accounting journal entries showing how the acquisition adjustment will be recorded on the utility's books.

Response: Please see the attachment "DR 14 – Journal Entries."

15. Please provide a detailed post-acquisition pro forma financial statement, including revenue requirement impact, of the acquired utility.

Response: Please see the attachment "DR 15 – Post Acquisition Pro Forma."

16. Please provide a comparison of the revenue requirement with and without the acquisition adjustment of the acquired utility.

Response: Please refer to the response provided in Data Request 15.



17. Please identify any regulatory assets or liabilities created as a result of this transaction, if any, and cite Florida Public Service Commission approval/Order No.

Response: There are none.

18. Please identify all parties to the transaction and their relationships to CSWR (if any).

Response: The seller of the system assets of Neighborhood Utilities, Inc. was W. Larry O'Steen, and his attorney for the transaction was William E. Sundstrom at Sundstrom Law. CSWR-Florida's acquisition of the Neighborhood system was an arms-length transaction. CSWR-Florida and Neighborhood Utilities, Inc. are non-affiliated, independent parties. There was no prior relationship or influence between them, or their principals.

19. Please briefly explain how operations, staffing, and service quality have been affected post-acquisition.

Response: Please refer to Part IV "Basis for Granting this Petition," specifically section 3, included in the Petition.

20. Please explain what steps are or have been taken to ensure a seamless transition for customers.

Response: CSWR-Florida has implemented a comprehensive transition plan designed to ensure continuity of service, minimize customer disruption, and enhance the overall customer experience following the acquisition. These measures address customer communications, billing continuity, operational responsiveness, and emergency preparedness.

Upon closing, customers receive a Welcome Letter explaining the change in ownership, customer service and emergency contact information, and billing and payment options. The most current customer information available is used when onboarding the system into CSWR-Florida's billing platform to ensure accurate billing and uninterrupted service. Existing rates are adopted at the time of acquisition to mitigate rate impacts during the transition.

Customers gain access to CSWR-Florida's centralized 24/7 customer service call center for billing inquiries, service requests, and emergency calls. Licensed operations and maintenance personnel are on call at all times to respond to service interruptions or emergencies, supported by remote system and water quality monitoring that allows for prompt identification and resolution of operational issues. Customers also have access to electronic billing and an online customer portal, which improves

communication and reduces the potential for service or billing disruptions during the transition.

21. Please indicate whether any customer protections were included in the transaction. If so, please identify and discuss the specific customer protections.

Response: Customers benefit from the acquisition as extensively detailed in the Petition. The system rates were continued after acquisition. The Company has requested the maximum amortization of the acquisition adjustment to minimize impacts to customers. Customers are best protected by CSWR-Florida's delivery of sufficient, adequate, and efficient service as compared to the prior owner.

22. Please indicate whether CSWR LLC has sought similar acquisition adjustments in other jurisdictions. If so, provide the associated outcomes (e.g. acquisition adjustment approved in full, partial approval of the acquisition adjustment, or denial of the acquisition adjustment). Please provide the jurisdiction(s) and relevant order number(s).

Response: Yes, it has. Tennessee Rule 1220-04-14-.04 explicitly allows for the Commission to consider remediation of public health, safety, and welfare concerns when contemplating acquisition incentives. 16 Texas Administrative Code (“TAC”) § 24.41(d) ensure acquisition adjustments are tied to arm’s length transactions, improvements in service quality, and clear customer benefits. Partial acquisition adjustments were granted in Docket 24-00044.

Arizona Corporation Commission Decision No. 75626 (July 26, 2016) in Docket No. W-00000C-16-0151 (“Water Policy Order”). In its Water Policy Order, the Commission adopted a series of “Policy Statements for the Water and Wastewater Industries” in Arizona. In adopting the policies, the Commission recognized and explained that the “private water utility industry in Arizona is highly fragmented and problematic.” The Commission further explained that “encouraging consolidation will have direct and tangible benefits for small water utility customers.” Differences between Purchase Price and Net Book Value, identified as “deferred debits” in AZ, were granted in Order Number 81549.

Kentucky Rule KRS 278.295(2) codified the “Delta Test” which outlines the criteria a commission uses to determine the value of an acquired water or sewer asset for ratemaking. The commission sets the asset's value between its original cost and its acquisition price, regardless of how it was originally funded, if the acquiring utility demonstrates that the price was negotiated fairly, restoring the asset won't negatively affect overall costs or customer rates, the acquisition leads to operational efficiencies; purchase prices are clearly distinguished, and there are financial and service benefits from the acquisition. In Docket 2022-00432, the Commission granted approval of requested acquisition adjustments for 10 of the 12 systems found in its request.

TX 16 TAC § 24.41(d)(1) and (2) detail the recovery of positive acquisition adjustment. Specifically, the rule permits recovery when certain conditions are met, such as reasonable investments being made to comply with regulations, and the transaction benefiting customers or improving stability. The adjustment is only allowed if the buyer and seller are not affiliated, all related transactions are disclosed and conducted at arm's length, and the purchase price and impact on rates are reasonable. In the Final Order to Docket 54565, the Commission noted “The net positive acquisition adjustments for the systems CSWR-Texas acquired outside of the FMV process are reasonable and should be included in rate base.”

Mississippi Commission Rule 8.102 governs rate adjustments related to the approval of a sale and transfer of public utility property. Commission Rule 8.102 states “Unless specifically requested in the petition and clearly allowed by the Commission's order, the approval of any sale or transfer by the Commission shall not, in and of itself, provide a basis or justification for any subsequent adjustment to rate base or operating expenses. An acquisition adjustment shall not be implied or allowed except upon written request for same in the Petition for Sale and Transfer and only where expressly allowed by order of the Commission when it grants approval for the sale and transfer. If an acquisition adjustment is sought, all supporting documentation and legal authority must be attached to the Petition presented pursuant to this rule. Adjustments, if allowed, shall be by Order of the Commission.” Most recently, acquisition adjustments were granted to Great River in Docket Nos. 2020-UA-143, 2020-UA-144, 2021-UA-157, 2021-UA-158, 2022UA-37, 2022-UA-38, 2022-UA-144, 2022-UA-145, 2023-UA-35, and 2023-UA-36.

Overwhelmingly, various states are adopting rules that incentivize both the acquisition and, more importantly, the rehabilitation of small, distressed systems. In each of these states, recovery of acquisition adjustments (deferred debits) isn't just permitted — it's a deliberate tool to promote public health, infrastructure investment, and long-term service stability.

23. Assuming CSWR-FL's request to consolidate rates is not approved:

a. Please describe how the Utility would implement the resulting rate increases, including any measures proposed to mitigate customer bill impacts.

Response: CSWR-Florida has proposed consolidation in Docket 20250052 and will implement any rate increase or rate design as Ordered by the Florida PSC.

b. Please indicate whether the Utility would seek to phase-in rates.

Response: No. While CSWR has implemented phase in rates in other jurisdictions, these phase ins include carrying costs which would increase the rates in the long term.



24. Please provide any due diligence reports conducted by CSWR-Florida (or parent) associated with the acquisition.

Response: Please see the attachment “DR 24 – Neighborhood Engineering Memo.”

25. Please provide all materials related to sensitivity analyses or stress tests on acquisition pricing, if any, that CSWR-Florida or any party retained to assist in acquisition pricing conducted.

Response: None.

26. With respect to the acquisition adjustment in this case, please provide copies, if any, of:
- a. Internal memos, board presentations, and management analyses supporting the adjustment.

Response: None.

- b. Any codified internal policies regarding acquiring utilities and seeking acquisition adjustments.

Response: None.

- c. Documented communications with investors or credit rating agencies regarding any acquisition-related impacts.

Response: None.

27. Please submit all internal emails, management meeting notes, and board presentations that mention concerns or debates over the acquisition price or expected regulatory treatment of the premium.

Response: As noted in item 3 above, there were not internal or external concerns over the excess of the purchase price over net book value. There was no “expected regulatory treatment.”



28. With respect to the acquisition adjustment in this case, please provide unredacted versions (if any) of:

a. Valuation reports related to the acquired utility.

Response: Please refer to the response provided in Data Request 5.

b. Copies of any internal rate impact modeling conducted by CSWR-Florida with respect to the acquired utility.

Response: Please refer to the response provided in Data Request 15.

29. Please submit any documented communications between Utility executives/Utility staff and the acquired utility regarding acquisition premium justification.

Response: None.

Thank you for the opportunity to provide additional information in support of the application. Please feel free to contact our office at your convenience with any additional questions or concerns.

Sincerely,

/s/ Thomas A. Crabb

Thomas A. Crabb
Attorney for CSWR-Florida

cc: Aaron Silas
Walt Trierweiler, Esq.
Austin Watrous, Esq.
Daniel Dose, Esq.
Jennifer Crawford, Esq.
Jennifer Augspurger, Esq.
discovery-gcl@psc.state.fl.us

Data Request # 5

Valuation



Flinn Engineering, LLC
11216 Neumann Lane
Highland, Illinois 62249
618-550-8427
ksimpson@flinnengineering.com

September 17, 2021

Jacob Freeman, PE
Director, Engineering
Central States Water Resources
1650 Des Peres Rd., Suite 303
St. Louis, MO 63131

Re: Asset Valuation Report
Neighborhood Utilities, Inc. – Timber Creek, Victoria Forest, and Cherokee Cove
Subdivisions; and Chaffee Pines MHP

Dear Mr. Freeman:

Flinn Engineering, LLC has completed the valuation of the assets owned by Neighborhood Utilities, Inc. for the Timber Creek, Victoria Forest, and Cherokee Cove Subdivisions; and Chaffee Pines MHP in Duval County, Florida. The purpose of this report is to estimate the value of the assets at the time the system was placed in service and estimate the depreciated book value of the assets.

The original installation costs were not recorded by the developer. In order to establish the original cost, we estimated the cost to install the assets in 2021 dollars using a combination of an engineering opinion based on knowledge of other systems of similar size and correspondence from contractors and suppliers. The Handy-Whitman Index was used to adjust the estimated installation cost to the date the assets were placed in service. The original installation date is based on a variety of assumptions and available information that are described below.

A site visit was not conducted since this report is not evaluating the condition of the system. The following describes the information available, assumptions made, and methodology used to determine the installed value of the assets.

The only property value included in this estimate is the \$1,000 value shown on the 2019 Annual Report (Item 1 in **Appendix A**). It is unclear what this property value represents. Additional property values could include the water treatment plant, Well #2 site, and easement for the water mains.

We also did not include Well #1 or the emergency generator in the estimated value of assets. Well #1 is no longer in service and needs to be properly abandoned and the 25 kW emergency generator has been out of service since 2017 according to the Engineering Report (Item 2 in **Appendix A**).

Summary

The subdivisions included in the Neighborhood Utilities, Inc. service area include water customers only. The water customers are supplied by a well and water treatment plant including aeration

and chlorination. **Table 1** summarizes the estimated installation cost in 2021 dollars, the estimated original installation cost, and the estimated depreciated book value.

Table 1 – Water System Estimated Installation Cost and Depreciated Book Value

Description	Estimated Installation Cost 2021	Estimated Original Installation Cost	Estimated Depreciated Book Value
Water System	\$ 2,352,745.00	\$ 1,115,426.54	\$ 438,860.21

Available Information/Assumption

The following information/assumptions were used to determine the quantity, age, and estimated installation cost for the assets. The numbers are shown in **Table 2** for easy reference. The items listed under “Available Information” are included in **Appendix A**.

Available Information

1. 2019 Annual Report submitted to the Florida Public Service Commission.
2. Engineering Report prepared by Woodard & Curran dated August 2021.
3. Cherokee Cove As-Built Drawings dated 2005.

Assumptions

4. The 2019 Annual Report (Item 1 in **Appendix A**) includes a breakdown of the quantity of water main by size. The Cherokee Cove As-Built Drawings were used to estimate the amount of assets installed for the Cherokee Cove Addition, which we estimated to be 25% of the total assets. We used 25% of the total assets for 4-inch, 6-inch, 8-inch water main, as well as services and meters, fire hydrants, and flush hydrants
5. The Engineering Report (Item 2 in **Appendix A**) indicates that flush hydrants are installed on dead-end water mains. We estimated a total of 15 flush hydrants based on the visible dead-end streets on Google Earth.
6. The Engineering Report (Item 2 in **Appendix A**) indicates that the 40,000-gallon tank includes the aeration equipment and that the tank was installed in 1986. We assumed the aeration equipment was also installed in 1986.
7. Using <https://homeguide.com/costs/well-drilling-cost> we assumed the per foot cost for Well #2 to be \$100 since the casing is 8-inch steel and the pump is rated at 350 gpm. This estimate includes well drilling, well pump, electrical and plumbing.
8. The Engineering Report (Item 2 in **Appendix A**) recommends replacing High Service Pump 3 at an estimated cost of \$18,000. Based on that we assumed the 2021 cost for Pumps 2 & 3 to be \$20,000 and \$30,000 for Pump 1.
9. The 2021 installed cost of the Concrete Masonry Unit pump building is estimated to be \$50 per square foot based on recent projects and discussions with contractors.
10. The 2021 installed cost of the chlorination equipment is estimated to be \$7,500 based on recent projects of similar size.
11. The 2021 installed cost of the aerator is estimated to be \$15,000 based on recent projects and discussions with contractors.
12. The hydropneumatic tank cost is estimated from online catalogs (USA Bluebook and Grainger). We assumed the tank includes all accessories, controls, and plumbing and the installation is about half of the material cost. The 2021 installed cost for a 2,000-gallon tank is estimated to be \$20,000.
13. The 2021 installed cost of the two (2) tanks at the water treatment plant is estimated to be \$2.00 per gallon based on discussions with contractors.
14. We assumed the water main cost for 2-inch PVC is \$30 per foot, 4-inch and 6-inch is \$50 per foot, 8-inch is \$55 per foot, and 10-inch is \$65 per foot. We assumed the water main

is installed approximately three (3) feet deep. The per foot estimate includes design, excavation, material, installation, backfill, and restoration.

15. The water service and meter installation cost in 2021 is estimated to be \$1,750 based on recent conversations with contractors. This is an estimate of the average cost of “long” services and “short” services and includes excavation, boring, material, installation, backfill, and restoration.
16. The fire hydrant and flush hydrant installation cost in 2021 is estimated to be \$4,000 and \$2,500, respectively based on recent conversations with contractors. This includes excavation, material, installation, backfill, and restoration.

Water System

Based on the information available and the assumptions listed above, the water system includes a well; a water treatment plant; 3,165 feet of 2-inch PVC water main; 1,937 feet of 4-inch PVC water main; 2,818 feet of 6-inch PVC water main; 13,589 feet of 8-inch PVC water main; 280 feet of 10-inch PVC water main; 26 fire hydrants; 15 flush hydrants; and 441 water services. The well is 1,000 feet deep with a capacity of 350 gpm. The water treatment plant includes aeration, chlorination, two (2) ground storage tanks (20,000-gallon and 40,000-gallon), three (3) high service pumps, and a 2,000-gallon hydropneumatic tank.

Table 2 includes the asset description, quantity, information/assumption to determine quantity, date of installation, information/assumption to determine date of installation, unit cost, and information/assumption used to determine unit cost. The cost in **Table 2** is the estimated cost to install the water assets in 2021.

Table 2 – Estimated Installation Cost for Water Assets in 2021

Description	Quantity	Unit	Quantity Info/ Assumption ¹	Date Installed	Date Info/ Assumption ¹	Estimated Unit Cost 2021	Cost Info/ Assumption ¹	Estimated Installation Cost 2021
Property	1	ea	1	1991	2	\$ 1,000.00	1	\$ 1,000.00
Well #2-8" steel casing & 350 gpm pump	1,000	ft	1 & 2	1986	2	\$ 100.00	7	\$ 100,000.00
High Service Pump 15 hp 260 gpm	2	ea	2	1995	2	\$ 20,000.00	8	\$ 40,000.00
High Service Pump 20 hp 340 gpm	1	ea	2	1995	2	\$ 30,000.00	8	\$ 30,000.00
Pump House 11x14 CMU	154	sq ft	2	1995	1	\$ 50.00	9	\$ 7,700.00
Chlorination equipment	1	ea	2	1986	1	\$ 7,500.00	10	\$ 7,500.00
Aerator - 350 gpm	1	ea	2	1986	6	\$ 15,000.00	11	\$ 15,000.00
Hydropneumatic 2,000-gal	1	ea	1	2009	2	\$ 20,000.00	12	\$ 20,000.00
Ground Storage 20,000-gal	20,000	gal	1	1981	2	\$ 2.00	13	\$ 40,000.00
Ground Storage 40,000-gal	40,000	gal	1	1986	2	\$ 2.00	13	\$ 80,000.00
4" PVC Water Main (Cherokee Cove)	484	ft	4	2005	3	\$ 50.00	14	\$ 24,212.50
6" PVC Water Main (Cherokee Cove)	705	ft	4	2005	3	\$ 50.00	14	\$ 35,225.00
8" PVC Water Main (Cherokee Cove)	3,397	ft	4	2005	3	\$ 55.00	14	\$ 186,848.75
2" PVC Water Main	3,165	ft	1	1991	2	\$ 30.00	14	\$ 94,950.00
4" PVC Water Main	1,453	ft	4	1991	2	\$ 50.00	14	\$ 72,637.50
6" PVC Water Main	2,114	ft	4	1991	2	\$ 50.00	14	\$ 105,675.00
8" PVC Water Main	10,192	ft	4	1991	2	\$ 55.00	14	\$ 560,546.25
10" PVC Water Main	280	ft	1	1991	2	\$ 65.00	14	\$ 18,200.00
Services and Meters (Cherokee Cove)	110	ea	4	2005	3	\$ 1,750.00	15	\$ 192,937.50
Hydrants (Cherokee Cove)	6	ea	4	2005	3	\$ 4,000.00	16	\$ 24,000.00
Flush Hydrants (Cherokee Cove)	4	ea	4 & 5	2005	3	\$ 2,500.00	16	\$ 9,375.00
Services and Meters	331	ea	4	1991	2	\$ 1,750.00	15	\$ 578,812.50
Fire Hydrants	20	ea	4	1991	2	\$ 4,000.00	16	\$ 80,000.00
Flush Hydrants	11	ea	4 & 5	1991	2	\$ 2,500.00	16	\$ 28,125.00
Estimated Installation Cost 2021								\$ 2,352,745.00

Note 1 – Info/Assumption number refers to list above.

Table 3 shows the calculation using the Handy-Whitman indices to convert the estimated installation cost in 2021 to the estimated original installation cost.

Table 3 – Water Assets Estimated Original Installation Cost

Description	Estimated Installation Cost 2021	Handy-Whitman Index Date Installed	Handy-Whitman Index 2021	Estimated Original Unit Cost	Estimated Original Installation
Property	\$ 1,000.00	n/a	n/a	\$ 1,000.00	\$ 1,000.00
Well #2-8" steel casing & 350 gpm pump	\$ 100,000.00	234	694	\$ 33.72	\$ 33,717.58
High Service Pump 15 hp 260 gpm	\$ 40,000.00	442	1454	\$ 6,079.78	\$ 12,159.56
High Service Pump 20 hp 340 gpm	\$ 30,000.00	442	1454	\$ 9,119.67	\$ 9,119.67
Pump House 11x14 CMU	\$ 7,700.00	305	694	\$ 21.97	\$ 3,384.01
Chlorination equipment	\$ 7,500.00	283	1009	\$ 2,103.57	\$ 2,103.57
Aerator - 350 gpm	\$ 15,000.00	283	1009	\$ 4,207.14	\$ 4,207.14
Hydropneumatic 2,000-gal	\$ 20,000.00	516	694	\$ 14,870.32	\$ 14,870.32
Ground Storage 20,000-gal	\$ 40,000.00	197	694	\$ 0.57	\$ 11,354.47
Ground Storage 40,000-gal	\$ 80,000.00	234	694	\$ 0.67	\$ 26,974.06
4" PVC Water Main (Cherokee Cove)	\$ 24,212.50	270	395	\$ 34.18	\$ 16,550.32
6" PVC Water Main (Cherokee Cove)	\$ 35,225.00	270	395	\$ 34.18	\$ 24,077.85
8" PVC Water Main (Cherokee Cove)	\$ 186,848.75	270	395	\$ 37.59	\$ 127,719.40
2" PVC Water Main	\$ 94,950.00	191	395	\$ 14.51	\$ 45,912.53
4" PVC Water Main	\$ 72,637.50	191	395	\$ 24.18	\$ 35,123.45
6" PVC Water Main	\$ 105,675.00	191	395	\$ 24.18	\$ 51,098.54
8" PVC Water Main	\$ 560,546.25	191	395	\$ 26.59	\$ 271,048.95
10" PVC Water Main	\$ 18,200.00	191	395	\$ 31.43	\$ 8,800.51
Services and Meters (Cherokee Cove)	\$ 192,937.50	412	628	\$ 1,148.09	\$ 126,576.83
Hydrants (Cherokee Cove)	\$ 24,000.00	584	1058	\$ 2,207.94	\$ 13,247.64
Flush Hydrants (Cherokee Cove)	\$ 9,375.00	584	1058	\$ 1,379.96	\$ 5,174.86
Services and Meters	\$ 578,812.50	255	628	\$ 710.59	\$ 235,027.37
Fire Hydrants	\$ 80,000.00	354	1058	\$ 1,338.37	\$ 26,767.49
Flush Hydrants	\$ 28,125.00	354	1058	\$ 836.48	\$ 9,410.44
Estimated Original Installation Cost					\$ 1,115,426.54

Depreciated Value

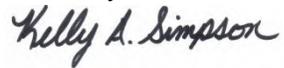
The estimated original cost was depreciated based on depreciation rates used by the Missouri Public Service Commission (PSC) during recent rate cases. We searched the Florida PSC docket library and could not find depreciation rates approved by the Florida PSC. It is reasonable to assume the depreciation rates approved by the Missouri PSC are typical of other states. The depreciation schedules from three (3) recent water system rate cases are included in **Appendix B**. The depreciation periods used are summarized in **Table 4**. The depreciation calculation is included in **Appendix C**.

Table 4 – Depreciation Periods

Asset	Depreciation Period (years)
Property	n/a
Well	55
Pump	12
Well House	44
Water Treatment Equipment	35
Tanks	42
Water Main	50
Services and Meters	35
Hydrants	50

We appreciate the opportunity to assist you on this project. If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Kelly A. Simpson". The signature is written in a cursive style.

Kelly A. Simpson, PE, LEED® AP
Owner

Enclosures:

- Appendix A – Available Information
- Appendix B – PSC Depreciation Rate Schedules
- Appendix C – Depreciation Calculation

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

OFFICIAL COPY
Public Service Commission
Do Not Remove From This Office

ANNUAL REPORT

WU383-19-AR

Neighborhood Utilities, Inc.
Exact Legal Name of Respondent

430-W
Certificate Number(s)

Submitted To The
STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2019

Revised 5/24/2016

Form PSC/AFD 006-W (Rev. 12/99)

2020 JUL 21 AM 5:38

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Neighborhood Utilities, Inc.

(EXACT NAME OF UTILITY)

1381 Cassat Ave
Jacksonville, FL 32205

same

Mailing Address Street Address County

Telephone Number 904-387-0487 Date Utility First Organized 1982

Fax Number E-mail Address wlarryo@hotmail.com

Sunshine State One-Call of Florida, Inc. Member No. NU1026

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: above

Name of subdivisions where services are provided: Timber Creek, Victoria Forest, Cherokee Cove, Chaffee Pines MHP

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: W Larry O'Steen	Pres	above	
Person who prepared this report: W Larry O'Steen	Pres	above	
Officers and Managers: W Larry O'Steen	Pres	above	\$ 30,000
Dorothy J O'Steen	VP	above	\$ 9456
Tara S Mebane	VP	above	\$ 0
			\$
			\$

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
W Larry O'Steen	100	above	\$ 30,000
Dorothy J O'Steen			\$ 9456
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 188,882	_____	_____	188,882
Commercial _____		1,352	_____	_____	1,352
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 190,234	_____	_____	190,234
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 174,748	_____	_____	174,748
Depreciation Expense _____	F-5	16,825	_____	_____	16,825
CIAC Amortization Expense _____	F-8	-7,938	_____	_____	-7,938
Taxes Other Than Income _____	F-7	11,740	_____	_____	11,740
Income Taxes _____	F-7	0	_____	_____	0
Total Operating Expense		\$ 195,375	_____	_____	195,375
Net Operating Income (Loss)		\$ -5,141	_____	_____	-5,141
Other Income:					
Nonutility Income _____		\$ _____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_ life ins		\$ _____	_____	_____	_____
Interest Expense _____		4,840	_____	_____	4,840
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ -9,981	_____	_____	-9,981

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 673155	673155
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	-534183	-517358
Net Utility Plant -----		\$ 138972	155797
Cash -----		3206	18384
Customer Accounts Receivable (141) -----		14823	13962
Other Assets (Specify): -----		500	500

Total Assets -----		\$ 157501	18643
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	200	200
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		21300	21300
Retained Earnings (215) -----	F-6	-106410	-96429 (*)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ -84910	-74929
Long Term Debt (224) -----	F-6	\$	
Accounts Payable (231) -----		12412	12485
Notes Payable (232) -----		65099	75438
Customer Deposits (235) -----		6709	11976
Accrued Taxes (236) -----		9492	10973
Other Liabilities (Specify) -----		80206	76269
-----			(*)

Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	68493	76431 (*)
Total Liabilities and Capital -----		\$ 157501	18643

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 673155			673155
Construction Work in Progress (105) _____				
Other (Specify) _____				

Total Utility Plant _____	\$ 673155			673155

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108				
Balance First of Year _____	\$ 517358			517358
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ 19920			19920
Salvage _____				
Other Credits (specify) _____				
Total Credits _____	\$ _____			_____
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____			_____
Cost of removal _____				_____
Other debits (specify) _____	-3095			-3095
Total Debits _____	\$ _____			_____
Balance End of Year _____	\$ 534183			534183

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	200	_____
Total par value of stock issued _____	200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	-96429
Changes during the year (Specify):		
income- F-1 _____	_____	-9981
audit adjustment _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	-106410

PROPRIETARY CAPITAL (218)

Balance first of year _____	\$ _____	_____
Changes during the year (Specify):		
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	_____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):		
_____		_____
_____		_____
_____		_____
Total _____		_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	2872	_____	_____	2872
Regulatory assessment fee _____	8081	_____	_____	8081
Other (Specify)_Bus Lic _____	787	_____	_____	787
Payroll				
Total Tax Expense _____	\$ 11740	_____	_____	11740

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
<u>U S WATER</u>	\$ 54607	\$ _____	<u>WTP OPERATIONS</u>
<u>W L O'STEEN</u>	\$ 30000	\$ _____	<u>MANAGEMENT</u>
<u>W L O'STEEN</u>	\$ 3960	\$ _____	<u>GENERATOR LEASE</u>
_____	\$ _____	\$ _____	_____
<u>Juan Diaz</u>	\$ 2400	\$ _____	<u>WTP MAINT</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ 269576	_____	269576
2) Add credits during year_____	\$ _____	_____	_____
3) Total_____	269576	_____	269576
4) Deduct charges during the year_____	_____	_____	_____
5) Balance end of year_____	269576	_____	269576
6) Less Accumulated Amortization_____	-201083	_____	-201083
7) Net CIAC_____	\$ 68493	_____	68493

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total_____	_____	\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
capacity	_____	\$ _____	\$ _____
meter	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)_____			\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year_____	\$ 193145	_____	193145
Add Debits During Year:_____	7938	_____	7938
Deduct Credits During Year:_____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ 201083	_____	201083

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	100.00 %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order Number approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions * (d)	Retirements* (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
303	Land and Land Rights _____	1000	_____	_____	1000
304	Structures and Improvements _____	14967	_____	_____	14967
305	Collecting and Impounding Reservoirs _____	90940	_____	_____	90940
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	45388	_____	_____	45388
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	5505	_____	_____	5505
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	56878	_____	_____	56878
320	Water Treatment Equipment _____	33508	_____	_____	33508
330	Distribution Reservoirs and Standpipes _____	30830	_____	_____	30830
331	Transmission and Distribution Lines _____	245510	_____	_____	245510
333	Services _____	64444	_____	_____	64444
334	Meters and Meter Installations _____	32738	_____	_____	32738
335	Hydrants _____	35812	_____	_____	35812
336	Backflow Prevention Devices _____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment _____	13921	_____	_____	13921
340	Office Furniture and Equipment _____	1714	_____	_____	1714
341	Transportation Equipment _____	_____	_____	_____	_____
342	Stores Equipment _____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	_____	_____	_____	_____
348	Other Tangible Plant _____	_____	_____	_____	_____
	Total Water Plant _____	\$ 673155	_____	_____	673155

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	3.7 %	\$ 11469		554	12023
305	Collecting and Impounding Reservoirs		%	2.5 %	74382		2274	76656
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	3.7 %	50428		1680	52108
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	3.125 %	602		172	774
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	5.88 %	59973	-3095		56878
320	Water Treatment Equipment		%	5.88 %	25507		1970	27477
330	Distribution Reservoirs & Standpipes		%	3.03 %	10767		932	11699
331	Trans. & Dist. Mains		%	2.63 %	181710		6432	188142
333	Services		%	2.86 %	35393		1944	37337
334	Meter & Meter Installations		%	5.88 %	29198		2242	31440
335	Hydrants		%	2.5 %	32203		896	33099
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	5 %	4921		710	5631
340	Office Furniture and Equipment		%	6.67 %	805		114	919
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 517358	-3095	19920	534183

* This amount should tie to Sheet F-5.

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ 19514
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	30000
604	Employee Pensions and Benefits_____	
610	Purchased Water_____	
615	Purchased Power_____	5809
616	Fuel for Power Production_____	
618	Chemicals_____	4185
620	Materials and Supplies_____	1211
630	Contractual Services:	
	Billing_____	
	Professional_____	
	Testing_____	5792
	Other_____	56342
640	Rents_____	16142
650	Transportation Expense_____	2099
655	Insurance Expense_____	6997
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	
670	Bad Debt Expense_____	
675	Miscellaneous Expenses_____	26657
	Total Water Operation And Maintenance Expense_____	\$ 174748 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	387	389	389
3/4"	D	1.5			
1"	D	2.5	48	48	120
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	2	2	5
1 1/2"	D,T	5.0	2	2	10
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total	439	441
				524	

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SYSTEM NAME: _____ Timber Creek

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January_____	_____	2181	_____	2181	2075
February_____	_____	2152	_____	2152	1805
March_____	_____	2370	_____	2370	1928
April_____	_____	2264	_____	2264	2026
May_____	_____	2599	_____	2599	2658
June_____	_____	2413	_____	2413	2276
July_____	_____	2335	_____	2335	2280
August_____	_____	2355	_____	2355	2020
September_____	_____	2078	_____	2078	1928
October_____	_____	1090	_____	1090	2382
November_____	_____	1313	_____	1313	1918
December_____	_____	1483	_____	1483	2033
Total for Year_____	0	24633	0	24633	25329

If water is purchased for resale, indicate the following:

Vendor _____
Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC_____	10	280	_____	_____	280
PVC_____	8	13589	_____	_____	13589
PVC_____	6	2818	_____	_____	2818
PVC_____	4	1937	_____	_____	1937
PVC_____	2	3165	_____	_____	3165
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SYSTEM NAME: _____ Timber Creek

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	1986	_____	_____
Types of Well Construction and Casing _____	DRILLED/ STEEL	DRILLED/ STEEL	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	600'	1000'	_____	_____
Diameters of Wells _____	4X3	12X8	_____	_____
Pump - GPM _____	90	350	_____	_____
Motor - HP _____	5	10	_____	_____
Motor Type * _____	SUBMERSIBLE	_____	_____	_____
Yields of Wells in GPD _____	140000	540000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	HYDRO/STEEL	STEEL	STEEL	_____
Capacity of Tank _____	2000 GAL	20000 GAL	40000 GAL	_____
Ground or Elevated _____	GROUND	GROUND	GROUND	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	3 PHASE	3 PHASE	3 PHASE	_____
Rated Horsepower _____	15	15	20	_____
Pumps				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	SERIES C	SERIES C	SERIES C	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	60 KW GEN	60 KW GEN	60 KW GEN	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	_____	540000	_____
Type of Source_____	_____	GROUND	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	60000 STORAGE	_____	_____
Make_____	CUSTOM	_____	_____
Permitted Capacity (GPD)_____	540000	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	600	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	LIQUID	_____	_____
Ozone_____	NO	_____	_____
Other_____	NO	_____	_____
Auxiliary Power_____	60 KW GEN	_____	_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2019

SYSTEM NAME: Timber Creek

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * the system can efficiently serve. _____ 686

ERCs * which can be served. _____ 1057

3. Present system connection capacity (in ERCs *) using existing lines. _____ 686

4. Future connection capacity (in ERCs *) upon service area buildout. _____ 371

5. Estimated annual increase in ERCs *. _____ 30

6. Is the utility required to have fire flow capacity? _____ YES
If so, how much capacity is required? _____ 750 GPM

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
M H PARK 200 LOT EXPANSION - INDEFINITE

9. When did the company last file a capacity analysis report with the DEP? _____

10. If the present system does not meet the requirements of DEP rules, submit the following:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? _____

c. When will construction begin? _____

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? _____

11. Department of Environmental Protection ID # _____ 2164279

12. Water Management District Consumptive Use Permit # _____ 756

a. Is the system in compliance with the requirements of the CUP? _____ YES

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

NOT APPLICABLE

WASTEWATER OPERATING SECTION

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|



(signature of chief executive officer of the utility) *

Date: 7-16-20

- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|



(signature of chief financial officer of the utility) *

Date: 7-16-20

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.



WATER SYSTEM ASSESSMENT

Neighborhood Utilities

210 South Florida Avenue | Suite 220
Lakeland, Florida 33801
800.426.4262

woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS

0233748.01
CSWR
August 2021

TABLE OF CONTENTS

SECTION	PAGE NO.
1. INTRODUCTION.....	1-1
1.1 General System Information.....	1-1
1.2 Water Use	1-2
2. WATER TREATMENT FACILITY.....	2-1
2.1 Facility Description	2-1
2.1.1 Source	2-1
2.1.2 Treatment	2-3
2.1.2.1 Chemical Treatment	2-3
2.1.2.2 Aeration Treatment.....	2-4
2.1.3 Storage.....	2-4
2.1.3.1 Ground Storage Tank 2.....	2-4
2.1.3.2 Ground Storage Tank 1.....	2-5
2.1.3.3 Hydropneumatic Storage Tank and Booster Pumps	2-6
2.1.4 Booster Pumps	2-8
2.1.5 Pump Station Building	2-8
2.1.6 Back-Up Power.....	2-9
2.2 Permit Information	2-10
2.2.1 Water Quality and MCL Exceedances	2-10
2.2.2 Compliance and Violation History	2-10
2.3 Recommended Repairs and Improvements	2-11
2.3.1 General Plant.....	2-11
2.3.1.1 Electrical Items	2-11
2.3.2 Source of Supply	2-11
2.3.3 Water Treatment and Pumping.....	2-13
3. WATER DISTRIBUTION SYSTEM.....	3-16
3.1 Distribution System Description.....	3-16
3.2 Recommended Repairs and Improvements	3-16
4. CAPITAL ESTIMATES	4-1
4.1 Triage Repairs.....	4-1
4.2 Improvements and Other Repairs	4-1

TABLES

Table 1-1:	Neighborhood Utilities System Information
Table 2-1:	Major System Components
Table 2-2:	Neighborhood Utilities Chemical Metering Pumps
Table 2-3:	Neighborhood Utilities High Service Pumps
Table 4-1:	General Plant Triage Repairs
Table 4-2:	Water Treatment and Pumping Triage Repairs
Table 4-3:	Source of Supply Capital Improvements
Table 4-4:	Water Treatment and Pumping Capital Improvements
Table 4-5:	Transmission and Distribution Capital Improvements

FIGURES

Figure 1-1:	Neighborhood Utilities Average Water Use 2020
Figure 2-1:	Well 2
Figure 2-2:	Well 1
Figure 2-3:	Sodium Hypochlorite Treatment
Figure 2-4:	Aerator Treatment
Figure 2-5:	Ground Storage Tank 2
Figure 2-6:	Ground Storage Tank 1
Figure 2-7:	Hydropneumatic Tank
Figure 2-8:	Hydropneumatic Tank Sight Gauge and Air Compressor
Figure 2-9:	High Service Pumps
Figure 2-10:	Pump Station Building
Figure 2-11:	Emergency Generator
Figure 2-12:	Emergency Generator Diesel Fuel Tank
Figure 2-13:	Pump Water Leak
Figure 2-14:	Algae Buildup
Figure 2-15:	PIG 275-gallon IBC and Enclosure
Figure 2-16:	GST2 Exterior Corrosion

APPENDICES

Appendix A:	Source Water Assessment & Protection Program Results
Appendix B:	Tank Inspection Report
Appendix C:	Consumer Confidence Report
Appendix D:	Sanitary Survey Report
Appendix E:	Distribution Map

1. INTRODUCTION

1.1 General System Information

Neighborhood Utilities owns and operates a community, public water system. A summary of the main parameters for the water system are summarized below in Table 1-1.

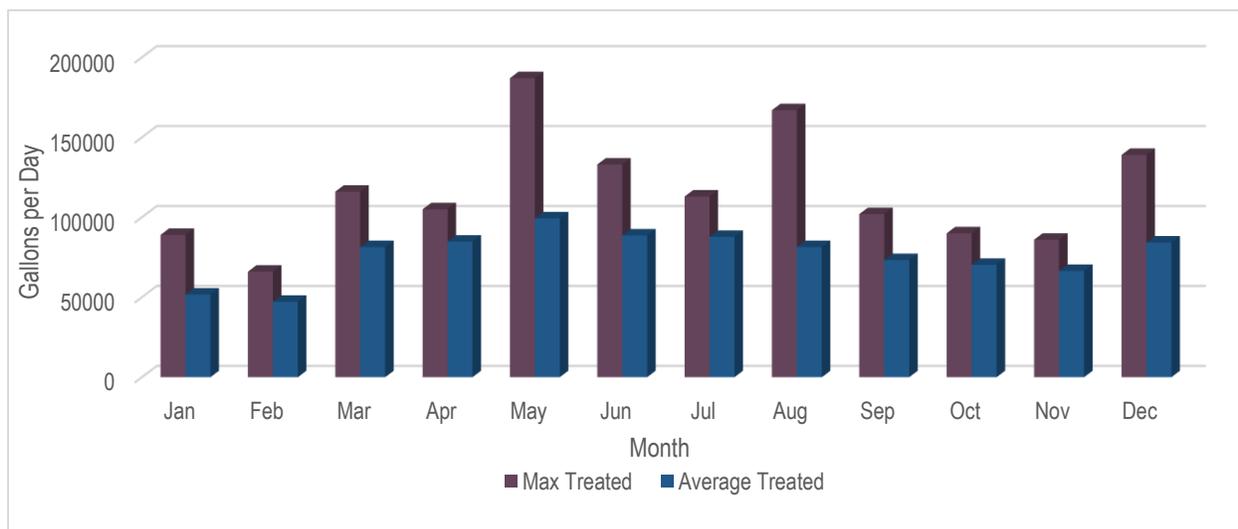
Table 1-1: Neighborhood Utilities System Information

Water System Name	Neighborhood Utilities
PWD ID Number	2164279
Classification	Community
Plant Category & Class	5C
Street Address	10487 Timber Creek Lane
City, State	Jacksonville, FL 32221
County	Duval
Owner	Neighborhood Utilities, Inc.
Contact	Larry O'Steen
Population Served	1,015 (Sanitary Survey)
Number of Service Connections	406 (Sanitary Survey)
Pending Developments	Chaffee Pines MHP - Future 200-unit expansion (Neighborhood Utilities)
Average Day Water Use	76,374 gpd (2020 Monthly Reports)
Maximum Day Water Use	187,000 gpd (Sanitary Survey)
Max-Day Design Capacity	360,000 gpd (Sanitary Survey)
Water Source	Ground (Floridan Aquifer)
Storage and Pressure Regulation	Hydropneumatic Tank & Atmospheric Storage Tanks

1.2 Water Use

Potable water usage at the Neighborhood Utilities Plant is depicted in Figure 1-1.

Figure 1-1: Neighborhood Utilities Average Water Use 2020



Source: 2020 Monthly Operating Reports

2. WATER TREATMENT FACILITY

2.1 Facility Description

Water is pumped from Well 2 through an 8-inch check valve and gate valve and sent approximately 840 feet north to the water treatment plant. The water flows through a 6-inch Water Specialties flow meter and into the aerator located on top of Tank 2. The aerator is a 350-gpm tray aerator with a surrounding screen. Sodium Hypochlorite is also pumped at the top of the aerator to mix with the water in the aeration trays. The water then flows into Tank 2 and is connected to Tank 1 so that the water levels in the two tanks can equalize in a parallel setup. The water flows from both tanks into the pump station. Three high service pumps are located inside the pump station, and pump water into a hydropneumatic storage tank and then out to distribution.

Table 2-1: Major System Components

Purpose	Type	Details	Age (Source)	Condition
Source	Well 1	100 feet deep, unknown gpm	Unknown	Poor
Source	Well 2	1,000 feet deep, 350 gpm	1986 (Sanitary Survey)	Poor
Treatment	Disinfection	Sodium Hypochlorite	Unknown	Fair
Treatment	Aeration	350 gpm, Steel	Unknown	Fair
Storage	Hydropneumatic Tank	5,000 gallons, Steel	2009 (Tank Inspection Report)	Fair
Storage	Ground Storage Tank 1 (GST1)	20,000 Gallons, Steel	1981 (Neighborhood Utilities)	Fair
Storage	Ground Storage Tank 2 (GST2)	40,000 gallons, Steel	1986 (Neighborhood Utilities)	Poor
High Service Pump	Pump 1	Baldor, 20 hp, 340 gpm	1995 (Sanitary Survey Report)	Fair
High Service Pump	Pump 2	Emerson, 15 hp, 260 gpm	1995 (Sanitary Survey Report)	Fair
High Service Pump	Pump 3	Sterling, 15 hp, 260 gpm	1995 (Sanitary Survey Report)	Poor
Building	CMU	11 by 14 feet	Unknown	Fair

2.1.1 Source

The Neighborhood Utilities main well (Well 2) is located within a small locked fenced in area and approximately 840 feet south of the water treatment plant and about 25 feet from Rothbury Drive. The top of well casing is about 12 inches above grade and within a concrete pad. The well is 1,000 feet deep with one vertical turbine Peerless 350 gpm pump, 10 HP motor, and 230 Volts.

Figure 2-1: Well 2



Well 1 is located approximately 50 feet from the pump station building but is not used or listed on the FDEP operating permit. Well 1 is 100 feet deep and has a 100 gpm well pump of unknown make and age. Piping from the well is connected to GST1. Well 1 is not included as a ground water source on the most recent FDEP sanitary survey report or the 2020 FDEP Source Water Assessment & Protection Program (SWAPP).

Figure 2-2: Well 1



There is no known potential source of contamination within a 1000-foot radius of the well. Please refer to Appendix A for the 2019 FDEP SWAPP Results.

2.1.2 Treatment

2.1.2.1 Chemical Treatment

Sodium hypochlorite is injected for the purpose of disinfection prior to the aerator above the GST2. The sodium hypochlorite mix is 12.5% and is housed in a 300-gallon day tank located beside GST2. The chemical pump is a peristaltic 17 GPD Stenner Pump, set at 100% stroke. The average distribution residual in 2019 was 2.2 mg/L based on the Sanitary Survey Report.

The chemical pump will turn on when the well pump is energized. The chemical pump outlet is wired to the Well 2 pump starter.

Table 2-2: Neighborhood Utilities Chemical Metering Pumps

Chemical Pump	Chlorine
Number of Pumps	1
Brand	Stenner
Model	85MPHP17
Size	17 GPD

Figure 2-3: Sodium Hypochlorite Treatment



2.1.2.2 Aeration Treatment

The plant uses a 350-gpm aeration treatment system to address hydrogen sulfide. The aeration system is located on the top of Tank 2 and is steel fabricated and fiber glass coated in a steel enclosure with fiberglass fine mesh screen.

Figure 2-4: Aerator Treatment



2.1.3 Storage

The Neighborhood Utilities water treatment plant has a three storage tanks onsite, two atmospheric storage tanks and one hydropneumatic storage tanks.

2.1.3.1 Ground Storage Tank 2

Ground Storage Tank 2 (GST2) is a 40,000-gallon steel atmospheric storage tank. The storage tank is plumbed with 6-inch isolation gate valves at the inlet and outlet of the tank with no bypass line. The tank is controlled by a tank level meter that will activate the well pump if the water level gets too low. The tank has a J-type screened vent and a 6-inch drain valve. The flow into the storage tank goes through the aeration treatment unit on the top of the tank and falls into the storage tank.

The most recent inspection on GST2 was performed by In Depth Services, Inc. on July 27, 2018. The tank inspection report stated that the aerator was causing heavy signs of corrosion throughout the adjacent tank walls with heavy corrosion and metal loss noted on access hatch and riser. The tank interior has up to 14 inches of silt and iron sediment on the central tank floor with corrosion, oxidation noted above the waterline and throughout the tank roof, and ambient light was visible at multiple locations throughout the tank roof. The report recommended to seal exterior openings on

roof to prevent contaminations, to repair areas of metal loss on the tank walls, recoat the interior and exterior surfaces of the tank, and to repair/replace the access hatch and riser.

Figure 2-5: Ground Storage Tank 2



2.1.3.2 Ground Storage Tank 1

Ground Storage Tank 1 (GST1) is a 20,000-gallon steel atmospheric storage tank. The tank is plumbed with 4-inch isolation gate valves at the inlet and outlet of the tank with an underground 4-inch tank bypass line which is normally closed. The storage tank does have a connection to the inactive Well 1 but the gate valves to the well are normally closed. The tank has no direct control or inlet but is connected via an underground pipe to Storage Tank 2 so that the flow from Well 2 equalizes in both storage tanks to allow for additional water storage. The tank has a J-type screened vent and a 4-inch drain valve.

The most recent inspection on GST1 was performed by In Depth Services, Inc. on July 27, 2018. The tank inspection reported stated that there was a complete failure of access hatch/hinges due to rust and de-alloying and uncovered openings present on roof allowing bio life and growth inside of the tank as well as clogged and torn screens on the vent. The tank interior had visible signs of daylight present to do unsealed openings on roof, waterline staining present throughout the roof and walls, and corrosion noted above the waterline localized on weld seams primarily throughout roof. The report recommended to repair the vent screen and access hatch, to seal the exterior openings on roof to prevent contaminations, and to schedule internal epoxy repairs to coating in areas with pitting and heavy delamination.

Figure 2-6: Ground Storage Tank 1



2.1.3.3 Hydropneumatic Storage Tank and Booster Pumps

The hydropneumatic storage tank is a 2,000-gallon steel tank. The tank is plumbed with 4-inch isolation gate valves at the inlet and outlet of the tank with no bypass line. The hydropneumatic storage tank controls the high service pumps and air compressor. The on/off pressure of the tank is 40/60. The tank level gauge is kept in the pump station building and has a sensor to activate an air compressor if the water level gets too high in the tank to keep the tank from being waterlogged.

The most recent inspection on the hydropneumatic tank was performed by In Depth Services, Inc. on July 27, 2018. The report stated that the hydropneumatic storage tank had moderate surface corrosion and oxidation noted throughout the tank above the water line, moderate signs of blistering noted in the coating throughout the central tank floor, erosion in the surrounding terrain related to a poor tank drainage system, and that during the inspection the tank was not able to fully isolated from water flow due to incoming flow from the tank outlet, likely due to a failed valve. The tank recommended that the interior coating should be repaired in areas of corrosion throughout the tank roof, the addition of a “splash zone” pad or plumbing to redirect discharge runoff from the tank drain, and to diagnose and repair the valve system to allow the tank to be fully isolated from incoming water flow.

Figure 2-7: Hydropneumatic Tank



Figure 2-8: Hydropneumatic Tank Sight Gauge and Air Compressor



2.1.4 Booster Pumps

The pump station building houses three high service pumps. High Service Pump 1 (HSP1) is a 20 hp pump and is intended to be used for high demand such as fire flow conditions and turns on whenever the hydropneumatic tank drops below 40 psi. HSP2 and HSP3 are both 15 hp pumps and are intended to maintain the pressure in the hydropneumatic tank between 40 psi and 60 psi. HSP2 is the lead pump and supplies most of the water flow to the community, while HSP 3 is currently inoperable, and the discharge valve is closed. The check valves for HSP1 and HSP2 were recently replaced after a leak was found during a Sanitary Survey inspection.

Table 2-3: Neighborhood Utilities High Service Pumps

Chemical Pump	HSP1	HSP2	HSP3
Type	Centrifugal	Centrifugal	Centrifugal
Brand	Balder	Emerson	Sterling
Model	39E15Z88	DJ15A1AM	C8W0AN-AF
Motor HP	20	15	15

Figure 2-9: High Service Pumps



2.1.5 Pump Station Building

The pump station building is a 13 by 513-foot CMU building with primarily used for storage of the high service pumps, hydropneumatic storage tank sight tube, electric panels, and facility logbook. The building has a door with a width of 43 inches. The building had no evidence of roof leaks or rodents, but the open door provides no containment for spills or protection from weather, rodents, and insects. The building is within a fence with a locked gate, and has no fire extinguisher, floor drains, PPE, or lighting available on-site.

Figure 2-10: Pump Station Building



2.1.6 Back-Up Power

The Neighborhood Utilities plant has an inoperable 25 kW generator unit onsite to power the well pumps if there is an interruption in power supply. The generator has been inoperable since 2017 according to the most recent sanitary survey report. The generator has a diesel fuel tank that was half filled with fuel. The water system does have an emergency water source connection to the JEA major grid, a City of Jacksonville public utility, for up to 360,000-gallons of emergency water capacity to use if the water system is down.

Figure 2-11: Emergency Generator



Figure 2-12: Emergency Generator Diesel Fuel Tank



2.2 Permit Information

2.2.1 Water Quality and MCL Exceedances

There was no water quality or MCL exceedances reported in the plant's most recent annual drinking water report. Please refer to Appendix C for the 2017 Consumer Confidence Report. Additionally, there were no bacteria positives recorded during 2019 monthly bacteria samples.

2.2.2 Compliance and Violation History

The most recent sanitary survey for the plant was conducted on July 1st, 2020, and noted four possible violations of Chapter 403, Florida Statutes and Chapter 62-555, Florida Administrative Code:

- Leaking valve on high service pump 2
- Inadequate standby power
- Well pump 2 was leaking
- Well pump 2 had biogrowth on the well casing from the leak

The check valves on high service pumps 2 and 3 were recently replaced, but the site still has inadequate standby power and a leaking well pump 2 with biogrowth. The inspection report also noted that a warning letter was issued in May of 2019 regarding the inadequate standby power and that the next step will be an enforcement action to compel correction of the deficiency. The report stated that although there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of F.A.C. 62-555.320. The facility received

a written warning letter on September 3, 2020, related to the emergency generator. Please refer to Appendix D for the Sanitary Survey Report.

There are two open violations listed on the US EPA SDWIS Federal Reports Search. Both open violations are for inadequate reporting on the Consumer Confidence Reports for 2019 and 2020.

2.3 Recommended Repairs and Improvements

2.3.1 General Plant

Given the isolated location of the station, remote monitoring should be installed to alert operations staff of any issues, and to continuously log information. Mission Monitoring would be suitable for achieving this and should be installed at this site. Prior to the installation of the Mission Monitoring System, a licensed electrical contractor should conduct a site visit to ensure that the monitoring system can be installed safely. If any electrical code or safety items are identified, repairs should be made.

There is no lighting at the site. It is recommended floodlights be installed so the site can be safely accessed at night.

2.3.1.1 Electrical Items

From the site visit and visual of the electrical components, replacement may be necessary for health and safety considerations and to ensure the equipment meets national and local electrical codes.

Additionally, vendors have indicated that they will not install their equipment in panels that do not meet code or that are significantly deteriorated. As such, it is recommended that a licensed electrical contractor conduct a visit to the site to make a final recommendation based on national and local electrical codes and provide a detailed cost estimate for the work. See Section 4 for a high-level cost estimate.

The emergency generator has been non-functional since 2017 and should be replaced. Back-up power is required, and a warning letter was issued in May 2019. There is a comment in the 2020 Sanitary Survey Report that states "While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of F.A.C. 62-555.320."

2.3.2 Source of Supply

The well pump motor has a leak that has been noted in the previous sanitary survey report. The leak sprays water when the pump is active and causes a pool of standing water surrounding the well and buildup of algae on the well casing, conduit, and associated piping. The motor should be replaced, and the well casing and associated parts should be cleaned and disinfected.

Figure 2-13: Pump Water Leak



Figure 2-14: Algae Buildup



The station currently only has one functioning groundwater well, Well 1 has not been used by the facility in many years, is currently valved-off, and does not have a similar capacity to Well 1. Neighborhood Utilities stated that Well 1

is a 100-foot deep well with a capacity of 100 gpm. Given the condition of Well 1, as shown in Figure 2-2, the existing Well 1 should be abandoned, and the existing pipe connections should be removed.

The F.A.C 62-55.315(2) states “A minimum of two wells shall be connected to each community water system that is using only ground water and that is serving, or is designed to serve, 350 or more persons or 150 or more service connections.”

Per F.A.C 62-55.315(3), an interconnection with an existing community public water system can meet the requirement stated above provided that “the total well capacity for the combined systems shall equal at least the total design maximum-day water demand for the combined systems and, with the largest producing well out of operation for the combined systems, shall equal at least the design average daily water demand, and preferably the design maximum-day water demand, for the combined systems.”

In the 2020 Sanitary Survey report, there is a comment about an existing interconnection with Jacksonville Electric Authority (JEA). Although Woodard & Curran does not have the details on the JEA system, it is likely Neighborhood Utilities meets the requirements listed because there is no open violation for the inactive well. It is recommended this be confirmed with JEA and FDEP to ensure that an additional well will not be required. The capital costs included herein do not include the design, permitting and installation of a new well.

2.3.3 Water Treatment and Pumping

A continuous in-line chlorine analyzer should be installed to monitor the concentration of chlorine and report back to Mission Monitoring. This would allow the operations staff to track if the dose is lower or higher than the target range. Currently, chlorine is monitored by grab samples taken by the operator, for onsite testing. The chlorine analyzer should be reagent-less (amperometric), and an infiltration well will likely need to be installed for the discharge water.

The secondary containment for the sodium hypochlorite should be replaced, the current secondary containment has holes in the walls that would not allow the containment to contain the entire volume of the chemical tank. In order to improve secondary containment for the chemical storage, a structure should be installed to prevent the secondary containment from filling with rainwater. In addition, a structure around the chemical drums will offer an added protection from damage. This can be accomplished by changing out the bulk tanks with a more compact 275-gallon intermediate bulk container (IBC), and storing the chemicals in an enclosed container such as the PIG IBC Roll Top Hardcover Spill Pallet, with a 360-gallon containment capacity. An example is shown in Figure 2-15.

Figure 2-15: PIG 275-gallon IBC and Enclosure



The system has a 6-inch Water Specialties meter on the prior to treatment, which is read by the operator and manually recorded. This will have to be replaced with a meter that has a 4-20 mA connection so that it can report flow back to the Mission Monitoring system.

High Service Pump 3 is not functioning and should be replaced with a new 15hp pump.

The most recent tank inspection report for GST2 stated that there were areas of heavy corrosion and metal loss along the tank walls, so the interior and exterior should be inspected and any areas with metal loss should be repaired. The interior should also be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion. The aerator on top of GST2 has a constant stream of overspray of water and sodium hypochlorite onto the exterior of the tank which causes major surface corrosion. Neighborhood utilities stated that they will periodically scrape away the corrosion and apply new paint to the tank once there is too much corrosion on the tank. The exterior of the tank should be coated to mitigate the corrosion of the aerator overspray.

Figure 2-16: GST2 Exterior Corrosion



The most recent tank inspection report for GST1 stated that the access hatch had complete hinge failure and heavy metal deterioration which does not allow the access hatch to seal properly. The access hatch provides an opportunity for contaminants to enter the storage tank and should be repaired. The report also noted corrosion above the waterline throughout the weld seams throughout the tank and uncovered openings present on roof allowing bio growth inside the tank. The tank interior and exterior should be inspected and any areas with metal loss should be repaired. The interior should also be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion.

The most recent storage tank inspection for the hydropneumatic storage tank noted the interior of the tank had moderate surface corrosion and oxidation noted throughout the tank above the water line and suggested repairs to the interior coating in the report. The interior should be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion. The tank also stated that the tank could not be fully isolated due to a possible failed valve on the outlet causing incoming flow. The outlet valve should be replaced.

3. WATER DISTRIBUTION SYSTEM

3.1 Distribution System Description

The distribution system was built in 1991 and supplies water using 6 to 10-inch PVC water main in a loop configuration with blowoff valves on dead ends. The loop has gate valves to isolate sections if needed and 2-inch flushing hydrants throughout the system. Refer to Appendix E for a map of the water distribution system.

Neighborhood Utilities stated that the valves are not exercised on any regular frequency and that there are no backflow prevention devices in the distribution system. The system has 26 fire hydrants. The system supplies water to single homes, and each home has its own aboveground meter in the public right-of-way near the road. Neighborhood Utility currently collects readings from the meters manually once a month. There is a pending development of approximately 200 units in Chaffee Pines as shown in Appendix E.

3.2 Recommended Repairs and Improvements

An automatic flushing unit and chlorine analyzer is recommended to be installed at the dead-ends to help improve water turn over and water quality.

4. CAPITAL ESTIMATES

4.1 Triage Repairs

Repairs needed to address safety and liability hazards, as well as upgrades needed to bring Neighborhood Utilities to normal operating conditions are summarized with cost estimates in Table 4-1 and Table 4-2. The total cost estimate for Triage Repairs at Neighborhood Utilities is: **\$75,000**.

Table 4-1: General Plant Triage Repairs

Recommendation	Estimate
Install Flood Lights	\$1,000
Emergency Generator	\$35,000
Mission Monitoring at Well	\$10,000
Total	\$46,000

Table 4-2: Water Treatment and Pumping Triage Repairs

Recommendation	Estimate
Replace Well Pump Motor	\$11,000
Replace High Service Pump 3	\$18,000
Total	\$29,000

4.2 Improvements and Other Repairs

Recommendations were provided to increase the reliability for Neighborhood Utilities to supply consistent and safe drinking water, and for improved operation and maintenance. The recommendations and cost estimates are summarized in Table 4-3 through 4-6. The total cost estimate for Capital Improvements at Neighborhood Utilities is: **\$114,500**

Table 4-3: Source of Supply Capital Improvements

Recommendation	Estimate
Abandon Well 1	\$4,000
Total	\$4,000

Table 4-4: Water Treatment and Pumping Capital Improvements

Recommendation	Estimate
Continuous Chlorine Analyzer and Infiltration Well	\$9,000
Transmitters and Other Monitoring Equipment	\$2,500
Interior Tank Coating on GST1	\$10,000
Replace Access Hatch on GST1	\$7,000
Interior Tank Coating on GST2	\$19,000
Exterior Tank Coating on GST 2	\$25,000
Interior Tank Coating on Hydropneumatic Tank	\$2,000
Metal Loss Repair on GST 2	\$7,000
Replace Hydropneumatic Tank Outlet Valve	\$2,000
Total	\$83,500

Table 4-5: Transmission and Distribution Capital Improvements

Recommendation	Estimate
Automatic Flushing Unit	\$27,000
Total	\$27,000

APPENDIX A: SOURCE WATER ASSESSMENT & PROTECTION PROGRAM RESULTS

APPENDIX B: TANK INSPECTION REPORT

APPENDIX C: CONSUMER CONFIDENCE REPORT

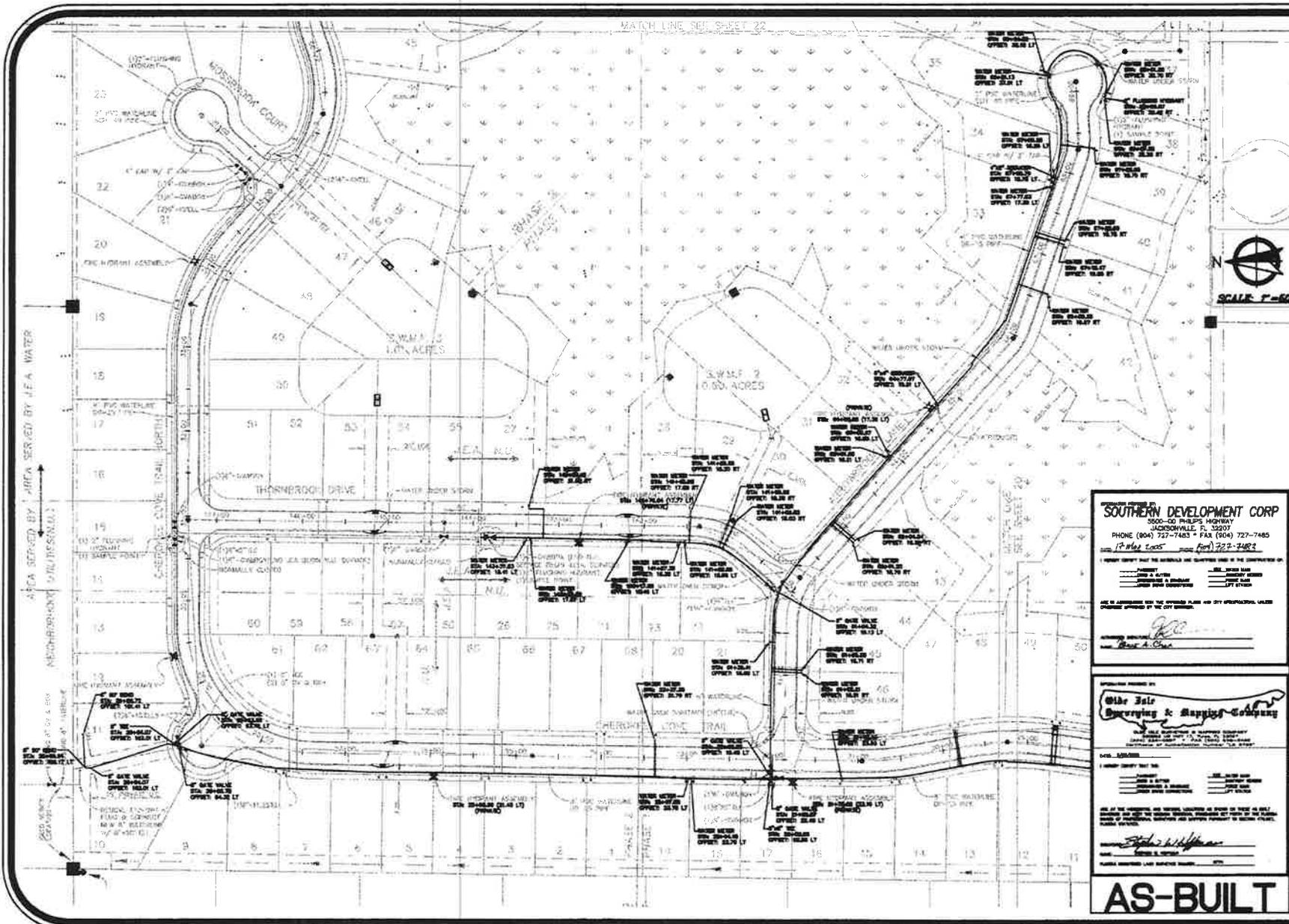
APPENDIX D: SANITARY SURVEY REPORT

APPENDIX E: DISTRIBUTION MAP



woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS

MATCH LINE SEE SHEET 22



CHEROKEE COVE

WATER PLAN TWO



DESIGNED BY
SOUTHERN DEVELOPMENT CORP
3500-00 PHILIPS HIGHWAY
JACKSONVILLE, FL 32207
PHONE (904) 727-7483 • FAX (904) 727-7485
19th Nov 2005 Rev 10/22-2482

I HEREBY CERTIFY THAT THE ABOVE ARE CORRECT AND IN ACCORDANCE WITH THE REQUIREMENTS OF THE CITY OF JACKSONVILLE.

DATE: 10/22/05
BY: *[Signature]*
TITLE: *[Signature]*

ALL OF THE INFORMATION AND MATERIAL CONTAINED ON THIS PLAN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND I AM NOT PROVIDING ANY WARRANTIES OR REPRESENTATIONS AS TO THE ACCURACY OF THE INFORMATION CONTAINED HEREON.

DATE: 10/22/05
BY: *[Signature]*
TITLE: *[Signature]*

PREPARED BY
White Seal Engineering & Surveying Company
1000 N. W. 10th Street
Jacksonville, Florida 32207
PHONE: 904-727-7483 FAX: 904-727-7485

DATE: 10/22/05
BY: *[Signature]*
TITLE: *[Signature]*

ALL OF THE INFORMATION AND MATERIAL CONTAINED ON THIS PLAN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND I AM NOT PROVIDING ANY WARRANTIES OR REPRESENTATIONS AS TO THE ACCURACY OF THE INFORMATION CONTAINED HEREON.

DATE: 10/22/05
BY: *[Signature]*
TITLE: *[Signature]*

AS-BUILT

NORTH FLORIDA
ENGINEERING SERVICES

2000 S. W. 10th Street
Jacksonville, FL 32207
(904) 727-7483

SCALE: 1" = 60'

21

VILLAGE GREENS WATER COMPANY
SCHEDULE of DEPRECIATION RATES
(WATER Class D)
WR-2015-0138 Attachment D

NARUC USOA ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
Source of Supply				
311	Structures & Improvements	2.5%	44	-10%
314	Wells & Springs	2.0%	55	-8%
Pumping Plant				
321	Structures & Improvements	2.5%	44	-10%
325.1	Submersible Pumping Equipment	10.0%	12	-20%
Water Treatment Plant				
331	Structures & Improvements	2.5%	44	-10%
332	Water Treatment Equipment	2.9%	35	0%
Transmission and Distribution				
342	Distribution Reservoirs & Standpipes	2.5%	42	-5%
343	Transmission & Distribution Mains	2.0%	50	0%
345	Customer Services	2.5%	40	0%
346.1	Customer Meters, Plastic (Throw Aways)	10.0%	10	0%
347	Customer Meter Pits & Installation	2.5%	40	0%
348	Hydrants	2.0%	50	0%
General Plant CLASS D				
371	Structures & Improvements	2.5%	40	0%
372	Office Furniture & Equipment	5.0%	20	0%
372.1	Office Electronic & Computer Equip.	14.3%	7	0%
373	Transportation Equipment	13.0%	7	9%
379	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)	10.0%	8.7	13%

https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=WR-2015-0138&attach_id=2015030930

**For Staff Proposed Adoption by Missouri-American Water Company
WM-2016-0169**

**Woodland Manor Water Company
SCHEDULE of DEPRECIATION RATES dated 4/1/2013
(WATER Class D)
WR-2013-0326**

USOA

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
Source of Supply				
311	Structures & Improvements	2.5%	44	-10%
314	Wells & Springs	2.0%	55	-8%
Pumping Plant				
321	Structures & Improvements	2.5%	44	-10%
325	Electric Pumping Equip. (Plus Generator)	6.7%	15	0%
328	Other Pumping Equipment	5.0%	20	0%
Water Treatment Plant				
332	Water Treatment Equipment	2.9%	35	\$0
Transmission and Distribution				
342	Distribution Reservoirs & Standpipes	2.5%	42	-5%
343	Transmission & Distribution Mains	2.0%	50	0%
345	Customer Services	2.9%	35	0%
346.1	Customer Meters (Installed after 2012)*	10.0%	10	0%
346.2	Bronze Meters and Installs prior 2013	3.3%	30	0%
347	Meter Installations (Meter Pits after 2012)	2.5%	40	0%
348	Hydrants	2.5%	40	0%
349	Other Transmission & Distribution Plant	3.3%	30	0%
General Plant				
372	Office Equipment & Furniture	5.0%	20	0%
372.1	Office Electronic Equipment	14.3%	7	0%
373	Transportation Equipment	13.0%	7	9%
379	Other General Equipment	6.7%	13	13%

Customer Meters (Installed after 2012)* Plus 18 plastic meters installed in 2007

The above recommended depreciation rates are based on Staff's review of the Company's operation and records.

https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=WM-2016-0169&attach_id=2016015052

**SPOKANE HIGHLANDS WATER COMPANY
DEPRECIATION RATES
(WATER)
CASE NO. WR-2015-0104**

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>DEPRECIATION RATE %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>	<u>SALVAGE %</u>
311	Structures & Improvements	2.5%	44	-10%
314	Wells & Springs	2.0%	55	-8%
325	Electric Pumping Equipment			
325.1	Submersible (Well Pump) Equipment	10.0%	12	-20%
325.2	High Service or Booster Pumps	2.0%	7	0%
342	Distribution Reservoirs & Standpipes	2.5%	42	-5%
343	Transmission & Distribution Mains	2.0%	50	0%
345	Services	2.9%	35	0%
346	Meters	2.0%	10	0%
347	Meter Installations	1.0%	50	0%
348	Hydrants	2.5%	40	0%
372	Office Furniture & Equipment	5.0%	20	0%
379	Other General Equipment	6.7%	13	13%

Neighborhood Utilities, Inc.
 Asset Value Report
 Depreciated Value

Appendix C
 September 17, 2021

Asset Description	Year Installed	Estimated Installation Cost	Age (2021)	Depreciation Period ¹	Depreciation ²	Depreciated Value ³
Property	1991	\$ 1,000.00	30	n/a	n/a	\$ 1,000.00
Well #2-8" steel casing & 350 gpm pump	1986	\$ 33,717.58	35	55	\$ 21,456.64	\$ 12,260.94
High Service Pump 15 hp 260 gpm	1995	\$ 12,159.56	26	12	\$ 26,345.71	\$ -
High Service Pump 20 hp 340 gpm	1995	\$ 9,119.67	26	12	\$ 19,759.28	\$ -
Pump House 11x14 CMU	1995	\$ 3,384.01	26	44	\$ 1,999.64	\$ 1,384.37
Chlorination equipment	1986	\$ 2,103.57	35	35	\$ 2,103.57	\$ -
Aerator - 350 gpm	1986	\$ 4,207.14	35	35	\$ 4,207.14	\$ -
Hydropneumatic 2,000-gal	2009	\$ 14,870.32	12	42	\$ 4,248.66	\$ 10,621.66
Ground Storage 20,000-gal	1981	\$ 11,354.47	40	42	\$ 10,813.78	\$ 540.69
Ground Storage 40,000-gal	1986	\$ 26,974.06	35	42	\$ 22,478.39	\$ 4,495.68
4" PVC Water Main (Cherokee Cove)	2005	\$ 16,550.32	16	50	\$ 5,296.10	\$ 11,254.22
6" PVC Water Main (Cherokee Cove)	2005	\$ 24,077.85	16	50	\$ 7,704.91	\$ 16,372.94
8" PVC Water Main (Cherokee Cove)	2005	\$ 127,719.40	16	50	\$ 40,870.21	\$ 86,849.19
2" PVC Water Main	1991	\$ 45,912.53	30	50	\$ 27,547.52	\$ 18,365.01
4" PVC Water Main	1991	\$ 35,123.45	30	50	\$ 21,074.07	\$ 14,049.38
6" PVC Water Main	1991	\$ 51,098.54	30	50	\$ 30,659.13	\$ 20,439.42
8" PVC Water Main	1991	\$ 271,048.95	30	50	\$ 162,629.37	\$ 108,419.58
10" PVC Water Main	1991	\$ 8,800.51	30	50	\$ 5,280.30	\$ 3,520.20
Services and Meters (Cherokee Cove)	2005	\$ 126,576.83	16	35	\$ 57,863.69	\$ 68,713.14
Hydrants (Cherokee Cove)	2005	\$ 13,247.64	16	50	\$ 4,239.24	\$ 9,008.39
Flush Hydrants (Cherokee Cove)	2005	\$ 5,174.86	16	50	\$ 1,655.95	\$ 3,518.90
Services and Meters	1991	\$ 235,027.37	30	35	\$ 201,452.03	\$ 33,575.34
Fire Hydrants	1991	\$ 26,767.49	30	50	\$ 16,060.49	\$ 10,706.99
Flush Hydrants	1991	\$ 9,410.44	30	50	\$ 5,646.27	\$ 3,764.18
Total Water Assets		\$ 1,115,426.54				\$ 438,860.21

Note 1 - Based on Missouri PSC Rate Case Dockets WR-2015-0138 Village Greens Water Company; WR-2016-0169 Woodland Manor Water Company; WR-2015-0104 Spokane Highlands Water Company

Note 2 - Depreciation = Age/Depreciation Period X Estimated Installation Cost

Note 3 - Depreciated Value = Estimated Installation Cost - Depreciation

Data Request # 11

Additional Costs

Category	Vendor	Amount
Closing Costs		7,185.94
Engineering - GIS	21 Design Group Inc.	6,865.82
Engineering - Survey	21 Design Group Inc.	31,565.00
Legal - Real Estate	Beckemeier LeMoine Law	4,339.10
	Bryant Miller Olive	10,792.00
	Gartner, Brock and Simon, LLP	8,934.80
Total		69,682.66

Data Request # 14
Journal Entries

CSWR Florida Utility Operating Company

Neighborhood Utilities- Purchase/Acquisition Assets

Date of Staff Report Used	1/31/2022
In-Service Date	11/30/2022
Purchase Price	460,000.00
Closing cost	7,185.94

Journal Entry to transfer In-Service assets post acquisition

Acct Name	Acct #	Debit	Credit	Note
Utility Plant Purchased	104.000		467,185.94	Total closing consideration
Land & Land Rights	303.000	7,185.94		Closing Costs
Land & Land Rights	303.000	1,000.00		Commissioner Approved Account Balances
Structure and Improvements	304.000	14,967.00		Commissioner Approved Account Balances
Collecting & Impounding Reservoirs	305.000	90,940.00		Commissioner Approved Account Balances
Wells and Springs	307.000	45,388.00		Commissioner Approved Account Balances
Supply Mains	309.000	2,708.00		Commissioner Approved Account Balances
Pumping Equipment	311.000	58,328.00		Commissioner Approved Account Balances
Water Treatment Equipment	320.000	33,508.00		Commissioner Approved Account Balances
Distribution Reservoirs and standpipes	330.000	30,830.00		Commissioner Approved Account Balances
Transmission and Distribution Mains	331.000	248,307.00		Commissioner Approved Account Balances
Services	333.000	64,444.00		Commissioner Approved Account Balances
Meters and Meter Installation	334.000	32,587.00		Commissioner Approved Account Balances
Hydrants	335.000	35,812.00		Commissioner Approved Account Balances
Other Plant & Misc Equipment	339.000	13,921.00		Commissioner Approved Account Balances
Office Furniture and Equipment	340.000	1,714.00		Commissioner Approved Account Balances
CIAC	271.000		269,576.00	Commissioner Approved Account Balances
CIAC - Amortization	272.000	217,552.00		Commissioner Approved Account Balances
Accum. Depreciation	108.000		580,216.27	Commissioner Approved Account Balances
Acquisition Adjustment	114.000	417,786.27		Acq Adjustment
		1,316,978.21	1,316,978.21	

Data Request # 15
Post Acquisition Pro Forma

Neighborhood Utilities

	2021	Y0	Y1	Y2	Y3	Y4	Y5
ERU's	447	447	447	447	447	447	447
Rate*	34.18	34.18	48.50	48.50	54.24	54.24	54.24
Revenue	183,323	143,280	260,154	260,154	290,943	290,943	290,943
Outside labor expenses	(176,445)	(104,412)	(108,066)	(111,848)	(115,763)	(119,815)	(124,008)
Administrative and office expense	0	(11,060)	(11,447)	(11,847)	(12,262)	(12,691)	(13,135)
Maintenance and repair expense	0	(3,232)	(3,346)	(3,463)	(3,584)	(3,709)	(3,839)
Purchased water	0	0	0	0	0	0	0
Purchased sewage treatment	0	0	0	0	0	0	0
Electric power expense (exclude office)	0	(4,821)	(4,989)	(5,164)	(5,345)	(5,532)	(5,725)
Chemicals expense	0	(4,426)	(4,581)	(4,742)	(4,908)	(5,079)	(5,257)
Testing fees	0	(343)	(355)	(368)	(381)	(394)	(408)
Transportation expense	0	0	0	0	0	0	0
Other operating expense	0	(11,956)	(12,375)	(12,808)	(13,256)	(13,720)	(14,200)
Total Operating Expense	(176,445)	(140,250)	(145,159)	(150,240)	(155,498)	(160,940)	(166,573)
Depreciation	(11,038)	(5,001)	(5,094)	(7,187)	(9,281)	(11,375)	(11,375)
Interest	(3,130)	0	0	0	(22,106)	(19,159)	(16,878)
Total Expenses	(190,613)	(145,251)	(150,253)	(157,427)	(186,885)	(191,475)	(194,827)
Operating Income	(7,290)	(1,971)	109,901	102,727	104,058	99,469	96,117
Income Tax	(11,442)	0	(29,124)	(27,223)	(27,575)	(26,359)	(25,471)
Net Income	(18,732)	(1,971)	80,777	75,504	76,483	73,110	70,646

*Rate reflects average bills per ERU assuming 5,000 gallons of usage per month

ASSUMPTIONS

Total FL ERU's	21,075	32,654	33,447	39,430	45,495	51,643
ERU's in Rate		19,526	19,526	35,636	35,636	35,636
Total FL Rate Base	0	24,790	24,790	84,024	84,024	84,024
Total FL Rev Req	0	11,364	11,364	23,195	23,195	23,195
System ERU's	447	447	447	447	447	447
System Acq Premium	0	400	400	400	400	400
Equity	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
ROE	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Tax Rate	26.5%	26.5%	26.5%	26.5%	26.5%	26.5%
Rate with Acq Premium	0	48.50	48.50	54.24	54.24	54.24
Inflation Rate	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Amortization Years	30	30	30	30	30	30
Additional Plant Investment	119,996	83,750	83,750	83,750	83,750	0
Depreciation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Debt Issuance	0	0	0	30,000,000	30,000,000	30,000,000
Interest Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

CALCULATIONS

Additional Depreciation Expense	(3,000)	(5,094)	(7,187)	(9,281)	(11,375)	(11,375)
Interest Expense	0	0	0	(1,950,000)	(1,950,000)	(1,950,000)
Equity Return with Acq Premium	0	1,178	1,178	3,991	3,991	3,991
Equity Return w/o Acq Premium	0	1,159	1,159	3,972	3,972	3,972
Tax Return with Acq Premium	0	425	425	1,439	1,439	1,439
Tax Return w/o Acq Premium	0	418	418	1,432	1,432	1,432
Acq Premium Amortization	0	13	13	13	13	13
Total Net Impact of Acq Premium		39	39	39	39	39
Rate Adjustment		0.3%	0.3%	0.2%	0.2%	0.2%
Rate w/o Acq Premium		48.33	48.33	54.15	54.15	54.15
Revenue Requirement w/o Acq Premium		11,325	11,325	23,156	23,156	23,156

Data Request # 24
Neighborhood Engineering Memo



WATER SYSTEM ASSESSMENT

Neighborhood Utilities

210 South Florida Avenue | Suite 220
Lakeland, Florida 33801
800.426.4262

woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS

0233748.01

CSWR

August 2021

TABLE OF CONTENTS

SECTION	PAGE NO.
1. INTRODUCTION.....	1-1
1.1 General System Information.....	1-1
1.2 Water Use	1-2
2. WATER TREATMENT FACILITY.....	2-1
2.1 Facility Description	2-1
2.1.1 Source	2-1
2.1.2 Treatment	2-3
2.1.2.1 Chemical Treatment.....	2-3
2.1.2.2 Aeration Treatment.....	2-4
2.1.3 Storage.....	2-4
2.1.3.1 Ground Storage Tank 2.....	2-4
2.1.3.2 Ground Storage Tank 1.....	2-5
2.1.3.3 Hydropneumatic Storage Tank and Booster Pumps	2-6
2.1.4 Booster Pumps	2-8
2.1.5 Pump Station Building	2-8
2.1.6 Back-Up Power.....	2-9
2.2 Permit Information	2-10
2.2.1 Water Quality and MCL Exceedances.....	2-10
2.2.2 Compliance and Violation History.....	2-10
2.3 Recommended Repairs and Improvements	2-11
2.3.1 General Plant.....	2-11
2.3.1.1 Electrical Items	2-11
2.3.2 Source of Supply	2-11
2.3.3 Water Treatment and Pumping.....	2-13
3. WATER DISTRIBUTION SYSTEM.....	3-16
3.1 Distribution System Description.....	3-16
3.2 Recommended Repairs and Improvements	3-16
4. CAPITAL ESTIMATES	4-1
4.1 Triage Repairs.....	4-1
4.2 Improvements and Other Repairs	4-1

TABLES

Table 1-1:	Neighborhood Utilities System Information
Table 2-1:	Major System Components
Table 2-2:	Neighborhood Utilities Chemical Metering Pumps
Table 2-3:	Neighborhood Utilities High Service Pumps
Table 4-1:	General Plant Triage Repairs
Table 4-2:	Water Treatment and Pumping Triage Repairs
Table 4-3:	Source of Supply Capital Improvements
Table 4-4:	Water Treatment and Pumping Capital Improvements
Table 4-5:	Transmission and Distribution Capital Improvements

FIGURES

Figure 1-1:	Neighborhood Utilities Average Water Use 2020
Figure 2-1:	Well 2
Figure 2-2:	Well 1
Figure 2-3:	Sodium Hypochlorite Treatment
Figure 2-4:	Aerator Treatment
Figure 2-5:	Ground Storage Tank 2
Figure 2-6:	Ground Storage Tank 1
Figure 2-7:	Hydropneumatic Tank
Figure 2-8:	Hydropneumatic Tank Sight Gauge and Air Compressor
Figure 2-9:	High Service Pumps
Figure 2-10:	Pump Station Building
Figure 2-11:	Emergency Generator
Figure 2-12:	Emergency Generator Diesel Fuel Tank
Figure 2-13:	Pump Water Leak
Figure 2-14:	Algae Buildup
Figure 2-15:	PIG 275-gallon IBC and Enclosure
Figure 2-16:	GST2 Exterior Corrosion

1. INTRODUCTION

1.1 General System Information

Neighborhood Utilities owns and operates a community, public water system. A summary of the main parameters for the water system are summarized below in Table 1-1.

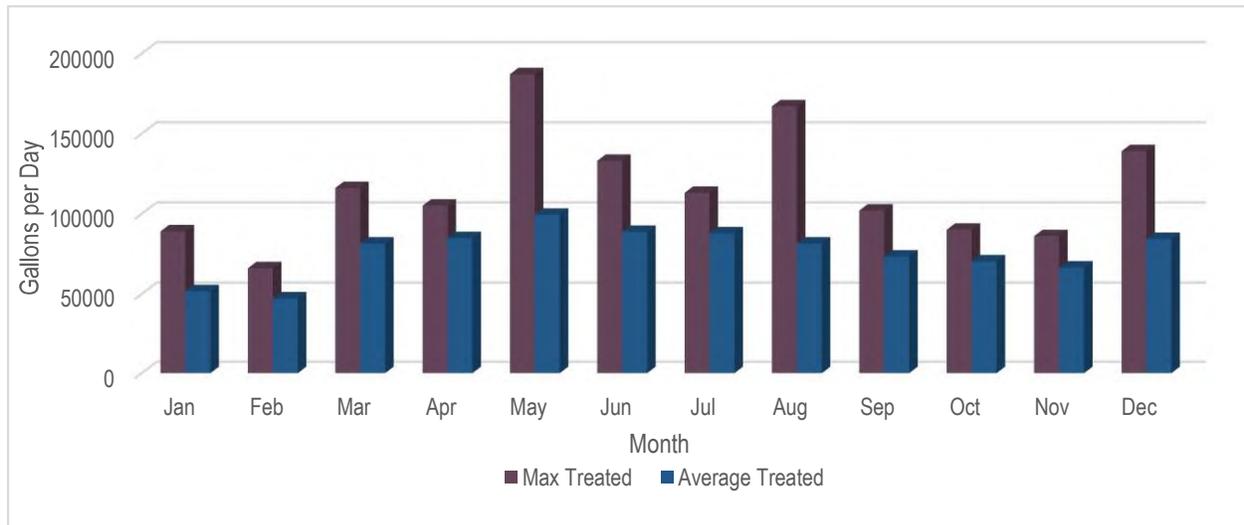
Table 1-1: Neighborhood Utilities System Information

Water System Name	Neighborhood Utilities
PWD ID Number	2164279
Classification	Community
Plant Category & Class	5C
Street Address	10487 Timber Creek Lane
City, State	Jacksonville, FL 32221
County	Duval
Owner	Neighborhood Utilities, Inc.
Contact	Larry O'Steen
Population Served	1,015 (Sanitary Survey)
Number of Service Connections	406 (Sanitary Survey)
Pending Developments	Chaffee Pines MHP - Future 200-unit expansion (Neighborhood Utilities)
Average Day Water Use	76,374 gpd (2020 Monthly Reports)
Maximum Day Water Use	187,000 gpd (Sanitary Survey)
Max-Day Design Capacity	360,000 gpd (Sanitary Survey)
Water Source	Ground (Floridan Aquifer)
Storage and Pressure Regulation	Hydropneumatic Tank & Atmospheric Storage Tanks

1.2 Water Use

Potable water usage at the Neighborhood Utilities Plant is depicted in Figure 1-1.

Figure 1-1: Neighborhood Utilities Average Water Use 2020



Source: 2020 Monthly Operating Reports

2. WATER TREATMENT FACILITY

2.1 Facility Description

Water is pumped from Well 2 through an 8-inch check valve and gate valve and sent approximately 840 feet north to the water treatment plant. The water flows through a 6-inch Water Specialties flow meter and into the aerator located on top of Tank 2. The aerator is a 350-gpm tray aerator with a surrounding screen. Sodium Hypochlorite is also pumped at the top of the aerator to mix with the water in the aeration trays. The water then flows into Tank 2 and is connected to Tank 1 so that the water levels in the two tanks can equalize in a parallel setup. The water flows from both tanks into the pump station. Three high service pumps are located inside the pump station, and pump water into a hydropneumatic storage tank and then out to distribution.

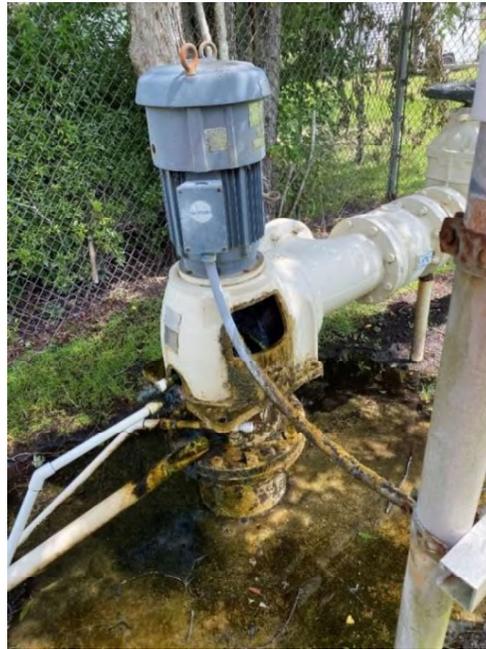
Table 2-1: Major System Components

Purpose	Type	Details	Age (Source)	Condition
Source	Well 1	100 feet deep, unknown gpm	Unknown	Poor
Source	Well 2	1,000 feet deep, 350 gpm	1986 (Sanitary Survey)	Poor
Treatment	Disinfection	Sodium Hypochlorite	Unknown	Fair
Treatment	Aeration	350 gpm, Steel	Unknown	Fair
Storage	Hydropneumatic Tank	5,000 gallons, Steel	2009 (Tank Inspection Report)	Fair
Storage	Ground Storage Tank 1 (GST1)	20,000 Gallons, Steel	1981 (Neighborhood Utilities)	Fair
Storage	Ground Storage Tank 2 (GST2)	40,000 gallons, Steel	1986 (Neighborhood Utilities)	Poor
High Service Pump	Pump 1	Baldor, 20 hp, 340 gpm	1995 (Sanitary Survey Report)	Fair
High Service Pump	Pump 2	Emerson, 15 hp, 260 gpm	1995 (Sanitary Survey Report)	Fair
High Service Pump	Pump 3	Sterling, 15 hp, 260 gpm	1995 (Sanitary Survey Report)	Poor
Building	CMU	11 by 14 feet	Unknown	Fair

2.1.1 Source

The Neighborhood Utilities main well (Well 2) is located within a small locked fenced in area and approximately 840 feet south of the water treatment plant and about 25 feet from Rothbury Drive. The top of well casing is about 12 inches above grade and within a concrete pad. The well is 1,000 feet deep with one vertical turbine Peerless 350 gpm pump, 10 HP motor, and 230 Volts.

Figure 2-1: Well 2



Well 1 is located approximately 50 feet from the pump station building but is not used or listed on the FDEP operating permit. Well 1 is 100 feet deep and has a 100 gpm well pump of unknown make and age. Piping from the well is connected to GST1. Well 1 is not included as a ground water source on the most recent FDEP sanitary survey report or the 2020 FDEP Source Water Assessment & Protection Program (SWAPP).

Figure 2-2: Well 1



There is no known potential source of contamination within a 1000-foot radius of the well. Please refer to Appendix A for the 2019 FDEP SWAPP Results.

2.1.2 Treatment

2.1.2.1 Chemical Treatment

Sodium hypochlorite is injected for the purpose of disinfection prior to the aerator above the GST2. The sodium hypochlorite mix is 12.5% and is housed in a 300-gallon day tank located beside GST2. The chemical pump is a peristaltic 17 GPD Stenner Pump, set at 100% stroke. The average distribution residual in 2019 was 2.2 mg/L based on the Sanitary Survey Report.

The chemical pump will turn on when the well pump is energized. The chemical pump outlet is wired to the Well 2 pump starter.

Table 2-2: Neighborhood Utilities Chemical Metering Pumps

Chemical Pump	Chlorine
Number of Pumps	1
Brand	Stenner
Model	85MPHP17
Size	17 GPD

Figure 2-3: Sodium Hypochlorite Treatment



2.1.2.2 Aeration Treatment

The plant uses a 350-gpm aeration treatment system to address hydrogen sulfide. The aeration system is located on the top of Tank 2 and is steel fabricated and fiber glass coated in a steel enclosure with fiberglass fine mesh screen.

Figure 2-4: Aerator Treatment



2.1.3 Storage

The Neighborhood Utilities water treatment plant has a three storage tanks onsite, two atmospheric storage tanks and one hydropneumatic storage tanks.

2.1.3.1 Ground Storage Tank 2

Ground Storage Tank 2 (GST2) is a 40,000-gallon steel atmospheric storage tank. The storage tank is plumbed with 6-inch isolation gate valves at the inlet and outlet of the tank with no bypass line. The tank is controlled by a tank level meter that will activate the well pump if the water level gets too low. The tank has a J-type screened vent and a 6-inch drain valve. The flow into the storage tank goes through the aeration treatment unit on the top of the tank and falls into the storage tank.

The most recent inspection on GST2 was performed by In Depth Services, Inc. on July 27, 2018. The tank inspection report stated that the aerator was causing heavy signs of corrosion throughout the adjacent tank walls with heavy corrosion and metal loss noted on access hatch and riser. The tank interior has up to 14 inches of silt and iron sediment on the central tank floor with corrosion, oxidation noted above the waterline and throughout the tank roof, and ambient light was visible at multiple locations throughout the tank roof. The report recommended to seal exterior openings on

roof to prevent contaminations, to repair areas of metal loss on the tank walls, recoat the interior and exterior surfaces of the tank, and to repair/replace the access hatch and riser.

Figure 2-5: Ground Storage Tank 2



2.1.3.2 Ground Storage Tank 1

Ground Storage Tank 1 (GST1) is a 20,000-gallon steel atmospheric storage tank. The tank is plumbed with 4-inch isolation gate valves at the inlet and outlet of the tank with an underground 4-inch tank bypass line which is normally closed. The storage tank does have a connection to the inactive Well 1 but the gate valves to the well are normally closed. The tank has no direct control or inlet but is connected via an underground pipe to Storage Tank 2 so that the flow from Well 2 equalizes in both storage tanks to allow for additional water storage. The tank has a J-type screened vent and a 4-inch drain valve.

The most recent inspection on GST1 was performed by In Depth Services, Inc. on July 27, 2018. The tank inspection reported stated that there was a complete failure of access hatch/hinges due to rust and de-alloying and uncovered openings present on roof allowing bio life and growth inside of the tank as well as clogged and torn screens on the vent. The tank interior had visible signs of daylight present to do unsealed openings on roof, waterline staining present throughout the roof and walls, and corrosion noted above the waterline localized on weld seams primarily throughout roof. The report recommended to repair the vent screen and access hatch, to seal the exterior openings on roof to prevent contaminations, and to schedule internal epoxy repairs to coating in areas with pitting and heavy delamination.

Figure 2-6: Ground Storage Tank 1



2.1.3.3 Hydropneumatic Storage Tank and Booster Pumps

The hydropneumatic storage tank is a 2,000-gallon steel tank. The tank is plumbed with 4-inch isolation gate valves at the inlet and outlet of the tank with no bypass line. The hydropneumatic storage tank controls the high service pumps and air compressor. The on/off pressure of the tank is 40/60. The tank level gauge is kept in the pump station building and has a sensor to activate an air compressor if the water level gets too high in the tank to keep the tank from being waterlogged.

The most recent inspection on the hydropneumatic tank was performed by In Depth Services, Inc. on July 27, 2018. The report stated that the hydropneumatic storage tank had moderate surface corrosion and oxidation noted throughout the tank above the water line, moderate signs of blistering noted in the coating throughout the central tank floor, erosion in the surrounding terrain related to a poor tank drainage system, and that during the inspection the tank was not able to fully isolated from water flow due to incoming flow from the tank outlet, likely due to a failed valve. The tank recommended that the interior coating should be repaired in areas of corrosion throughout the tank roof, the addition of a “splash zone” pad or plumbing to redirect discharge runoff from the tank drain, and to diagnose and repair the valve system to allow the tank to be fully isolated from incoming water flow.

Figure 2-7: Hydropneumatic Tank



Figure 2-8: Hydropneumatic Tank Sight Gauge and Air Compressor



2.1.4 Booster Pumps

The pump station building houses three high service pumps. High Service Pump 1 (HSP1) is a 20 hp pump and is intended to be used for high demand such as fire flow conditions and turns on whenever the hydropneumatic tank drops below 40 psi. HSP2 and HSP3 are both 15 hp pumps and are intended to maintain the pressure in the hydropneumatic tank between 40 psi and 60 psi. HSP2 is the lead pump and supplies most of the water flow to the community, while HSP 3 is currently inoperable, and the discharge valve is closed. The check valves for HSP1 and HSP2 were recently replaced after a leak was found during a Sanitary Survey inspection.

Table 2-3: Neighborhood Utilities High Service Pumps

Chemical Pump	HSP1	HSP2	HSP3
Type	Centrifugal	Centrifugal	Centrifugal
Brand	Balder	Emerson	Sterling
Model	39E15Z88	DJ15A1AM	C8W0AN-AF
Motor HP	20	15	15

Figure 2-9: High Service Pumps



2.1.5 Pump Station Building

The pump station building is a 13 by 513-foot CMU building with primarily used for storage of the high service pumps, hydropneumatic storage tank sight tube, electric panels, and facility logbook. The building has a door with a width of 43 inches. The building had no evidence of roof leaks or rodents, but the open door provides no containment for spills or protection from weather, rodents, and insects. The building is within a fence with a locked gate, and has no fire extinguisher, floor drains, PPE, or lighting available on-site.

Figure 2-10: Pump Station Building



2.1.6 Back-Up Power

The Neighborhood Utilities plant has an inoperable 25 kW generator unit onsite to power the well pumps if there is an interruption in power supply. The generator has been inoperable since 2017 according to the most recent sanitary survey report. The generator has a diesel fuel tank that was half filled with fuel. The water system does have an emergency water source connection to the JEA major grid, a City of Jacksonville public utility, for up to 360,000-gallons of emergency water capacity to use if the water system is down.

Figure 2-11: Emergency Generator



Figure 2-12: Emergency Generator Diesel Fuel Tank



2.2 Permit Information

2.2.1 Water Quality and MCL Exceedances

There was no water quality or MCL exceedances reported in the plant's most recent annual drinking water report. Please refer to Appendix C for the 2017 Consumer Confidence Report. Additionally, there were no bacteria positives recorded during 2019 monthly bacteria samples.

2.2.2 Compliance and Violation History

The most recent sanitary survey for the plant was conducted on July 1st, 2020, and noted four possible violations of Chapter 403, Florida Statutes and Chapter 62-555, Florida Administrative Code:

- Leaking valve on high service pump 2
- Inadequate standby power
- Well pump 2 was leaking
- Well pump 2 had biogrowth on the well casing from the leak

The check valves on high service pumps 2 and 3 were recently replaced, but the site still has inadequate standby power and a leaking well pump 2 with biogrowth. The inspection report also noted that a warning letter was issued in May of 2019 regarding the inadequate standby power and that the next step will be an enforcement action to compel correction of the deficiency. The report stated that although there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of F.A.C. 62-555.320. The facility received

a written warning letter on September 3, 2020, related to the emergency generator. Please refer to Appendix D for the Sanitary Survey Report.

There are two open violations listed on the US EPA SDWIS Federal Reports Search. Both open violations are for inadequate reporting on the Consumer Confidence Reports for 2019 and 2020.

2.3 Recommended Repairs and Improvements

2.3.1 General Plant

Given the isolated location of the station, remote monitoring should be installed to alert operations staff of any issues, and to continuously log information. Mission Monitoring would be suitable for achieving this and should be installed at this site. Prior to the installation of the Mission Monitoring System, a licensed electrical contractor should conduct a site visit to ensure that the monitoring system can be installed safely. If any electrical code or safety items are identified, repairs should be made.

There is no lighting at the site. It is recommended floodlights be installed so the site can be safely accessed at night.

2.3.1.1 Electrical Items

From the site visit and visual of the electrical components, replacement may be necessary for health and safety considerations and to ensure the equipment meets national and local electrical codes.

Additionally, vendors have indicated that they will not install their equipment in panels that do not meet code or that are significantly deteriorated. As such, it is recommended that a licensed electrical contractor conduct a visit to the site to make a final recommendation based on national and local electrical codes and provide a detailed cost estimate for the work. See Section 4 for a high-level cost estimate.

The emergency generator has been non-functional since 2017 and should be replaced. Back-up power is required, and a warning letter was issued in May 2019. There is a comment in the 2020 Sanitary Survey Report that states "While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of F.A.C. 62-555.320."

2.3.2 Source of Supply

The well pump motor has a leak that has been noted in the previous sanitary survey report. The leak sprays water when the pump is active and causes a pool of standing water surrounding the well and buildup of algae on the well casing, conduit, and associated piping. The motor should be replaced, and the well casing and associated parts should be cleaned and disinfected.

Figure 2-13: Pump Water Leak



Figure 2-14: Algae Buildup



The station currently only has one functioning groundwater well, Well 1 has not been used by the facility in many years, is currently valved-off, and does not have a similar capacity to Well 1. Neighborhood Utilities stated that Well 1

is a 100-foot deep well with a capacity of 100 gpm. Given the condition of Well 1, as shown in Figure 2-2, the existing Well 1 should be abandoned, and the existing pipe connections should be removed.

The F.A.C 62-55.315(2) states “A minimum of two wells shall be connected to each community water system that is using only ground water and that is serving, or is designed to serve, 350 or more persons or 150 or more service connections.”

Per F.A.C 62-55.315(3), an interconnection with an existing community public water system can meet the requirement stated above provided that “the total well capacity for the combined systems shall equal at least the total design maximum-day water demand for the combined systems and, with the largest producing well out of operation for the combined systems, shall equal at least the design average daily water demand, and preferably the design maximum-day water demand, for the combined systems.”

In the 2020 Sanitary Survey report, there is a comment about an existing interconnection with Jacksonville Electric Authority (JEA). Although Woodard & Curran does not have the details on the JEA system, it is likely Neighborhood Utilities meets the requirements listed because there is no open violation for the inactive well. It is recommended this be confirmed with JEA and FDEP to ensure that an additional well will not be required. The capital costs included herein do not include the design, permitting and installation of a new well.

2.3.3 Water Treatment and Pumping

A continuous in-line chlorine analyzer should be installed to monitor the concentration of chlorine and report back to Mission Monitoring. This would allow the operations staff to track if the dose is lower or higher than the target range. Currently, chlorine is monitored by grab samples taken by the operator, for onsite testing. The chlorine analyzer should be reagent-less (amperometric), and an infiltration well will likely need to be installed for the discharge water.

The secondary containment for the sodium hypochlorite should be replaced, the current secondary containment has holes in the walls that would not allow the containment to contain the entire volume of the chemical tank. In order to improve secondary containment for the chemical storage, a structure should be installed to prevent the secondary containment from filling with rainwater. In addition, a structure around the chemical drums will offer an added protection from damage. This can be accomplished by changing out the bulk tanks with a more compact 275-gallon intermediate bulk container (IBC), and storing the chemicals in an enclosed container such as the PIG IBC Roll Top Hardcover Spill Pallet, with a 360-gallon containment capacity. An example is shown in Figure 2-15.

Figure 2-15: PIG 275-gallon IBC and Enclosure



The system has a 6-inch Water Specialties meter on the prior to treatment, which is read by the operator and manually recorded. This will have to be replaced with a meter that has a 4-20 mA connection so that it can report flow back to the Mission Monitoring system.

High Service Pump 3 is not functioning and should be replaced with a new 15hp pump.

The most recent tank inspection report for GST2 stated that there were areas of heavy corrosion and metal loss along the tank walls, so the interior and exterior should be inspected and any areas with metal loss should be repaired. The interior should also be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion. The aerator on top of GST2 has a constant stream of overspray of water and sodium hypochlorite onto the exterior of the tank which causes major surface corrosion. Neighborhood utilities stated that they will periodically scrape away the corrosion and apply new paint to the tank once there is too much corrosion on the tank. The exterior of the tank should be coated to mitigate the corrosion of the aerator overspray.

Figure 2-16: GST2 Exterior Corrosion



The most recent tank inspection report for GST1 stated that the access hatch had complete hinge failure and heavy metal deterioration which does not allow the access hatch to seal properly. The access hatch provides an opportunity for contaminants to enter the storage tank and should be repaired. The report also noted corrosion above the waterline throughout the weld seams throughout the tank and uncovered openings present on roof allowing bio growth inside the tank. The tank interior and exterior should be inspected and any areas with metal loss should be repaired. The interior should also be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion.

The most recent storage tank inspection for the hydropneumatic storage tank noted the interior of the tank had moderate surface corrosion and oxidation noted throughout the tank above the water line and suggested repairs to the interior coating in the report. The interior should be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion. The tank also stated that the tank could not be fully isolated due to a possible failed valve on the outlet causing incoming flow. The outlet valve should be replaced.

3. WATER DISTRIBUTION SYSTEM

3.1 Distribution System Description

The distribution system was built in 1991 and supplies water using 6 to 10-inch PVC water main in a loop configuration with blowoff valves on dead ends. The loop has gate valves to isolate sections if needed and 2-inch flushing hydrants throughout the system. Refer to Appendix E for a map of the water distribution system.

Neighborhood Utilities stated that the valves are not exercised on any regular frequency and that there are no backflow prevention devices in the distribution system. The system has 26 fire hydrants. The system supplies water to single homes, and each home has its own aboveground meter in the public right-of-way near the road. Neighborhood Utility currently collects readings from the meters manually once a month. There is a pending development of approximately 200 units in Chaffee Pines as shown in Appendix E.

3.2 Recommended Repairs and Improvements

An automatic flushing unit and chlorine analyzer is recommended to be installed at the dead-ends to help improve water turn over and water quality.

4. CAPITAL ESTIMATES

4.1 Triage Repairs

Repairs needed to address safety and liability hazards, as well as upgrades needed to bring Neighborhood Utilities to normal operating conditions are summarized with cost estimates in Table 4-1 and Table 4-2. The total cost estimate for Triage Repairs at Neighborhood Utilities is: **\$75,000**.

Table 4-1: General Plant Triage Repairs

Recommendation	Estimate
Install Flood Lights	\$1,000
Emergency Generator	\$35,000
Mission Monitoring at Well	\$10,000
Total	\$46,000

Table 4-2: Water Treatment and Pumping Triage Repairs

Recommendation	Estimate
Replace Well Pump Motor	\$11,000
Replace High Service Pump 3	\$18,000
Total	\$29,000

4.2 Improvements and Other Repairs

Recommendations were provided to increase the reliability for Neighborhood Utilities to supply consistent and safe drinking water, and for improved operation and maintenance. The recommendations and cost estimates are summarized in Table 4-3 through 4-6. The total cost estimate for Capital Improvements at Neighborhood Utilities is: **\$114,500**

Table 4-3: Source of Supply Capital Improvements

Recommendation	Estimate
Abandon Well 1	\$4,000
Total	\$4,000

Table 4-4: Water Treatment and Pumping Capital Improvements

Recommendation	Estimate
Continuous Chlorine Analyzer and Infiltration Well	\$9,000
Transmitters and Other Monitoring Equipment	\$2,500
Interior Tank Coating on GST1	\$10,000
Replace Access Hatch on GST1	\$7,000
Interior Tank Coating on GST2	\$19,000
Exterior Tank Coating on GST 2	\$25,000
Interior Tank Coating on Hydropneumatic Tank	\$2,000
Metal Loss Repair on GST 2	\$7,000
Replace Hydropneumatic Tank Outlet Valve	\$2,000
Total	\$83,500

Table 4-5: Transmission and Distribution Capital Improvements

Recommendation	Estimate
Automatic Flushing Unit	\$27,000
Total	\$27,000



woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS