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August 18, 2015

VIA EMAIL

Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

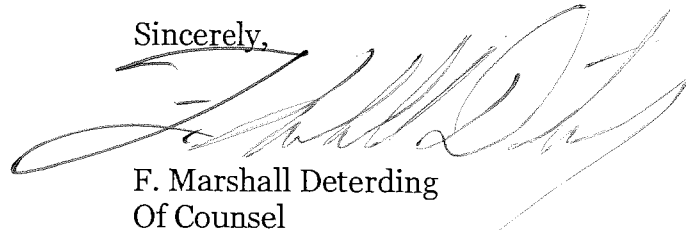
Re: Wildwood Water Company, Inc.
Docket No. 150022-WU; Initiation of Show Cause Proceeding Against Wildwood Water Company in St. Johns County for Violations of Sections 350.113, 367.121, 367.145, and 367.161, Florida Statutes, and Rules 25-30.120 and 25-30.110, Florida Administrative Code

Dear Ms. Stauffer,

I am attaching hereto an offer of settlement presented by me on behalf of Wildwood Water Company for settlement of the issues outlined in the above-referenced docket. We have worked with the staff in order to reach this settlement and are hopeful that with the fully executed Settlement Agreement this matter can come to an expeditious close.

If you have any questions or need any further information from me, please do not hesitate to contact me.

Sincerely,



F. Marshall Deterding
Of Counsel

FMD/brf
Enclosure

cc: Mr. G. Gregory Mills, Vice President
Kelley Corbari, Esquire (Office of General Counsel)
Leslie Ames, Esquire (Office of General Counsel)
Cheryl Bulecza-Banks (Division of Accounting & Finance)
James Polk (Division of Accounting & Finance)
Stephen Fletcher (Division of Accounting & Finance)
Karen Belcher (Administration)
Toni Earnhart (Division of Economics)
Lynn Deamer (Office of Auditing & Performance Analysis)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against
Wildwood Water Company in St. Johns County for
violations of Sections 350.113, 367.121, 367.145
and 367.161, Florida Statutes, and Rules 25-30.120
and 25-30.110, Florida Administrative Code

DOCKET NO. 150022-WU

SETTLEMENT AGREEMENT

Pursuant to Section 120.57(4), Florida Statutes (F.S.), Wildwood Water Company (Wildwood) hereby files this Settlement Agreement to effect an informal disposition and binding resolution of any and all matters and issues that were, or might have been, addressed by the Florida Public Service Commission (Commission) in Docket No. 150022-WU. This Settlement Agreement is intended to avoid the time, expense and uncertainty associated with adversarial litigation. The terms of this Settlement Agreement are as follows:

1. Wildwood acknowledges its obligation, pursuant to Sections 367.145 and 350.113, F.S., and Rule 25-30.120, Florida Administrative Code (F.A.C.), to remit payment of its Regulatory Assessment Fees (RAFs), plus statutory penalties and interest, for the years 2009, 2010, 2011, 2012, 2013, and 2014, as set out in Exhibit A attached hereto.
2. Wildwood acknowledges its obligation, pursuant to Section 367.121, F.S., and Rule 25-30.110, F.A.C., to remit payment for penalties associated with its delinquent Annual Reports for the years 2009, 2010, 2011, 2012, and 2013, as set out in Exhibit B attached hereto.
3. In consideration of Wildwood's complete and timely performance of all the obligations agreed to in this Settlement Agreement, the Commission conditionally agrees to:
 - a. reduce the amount of the penalties owed by Wildwood for failing to timely remit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013 to \$2,500.00 (\$500.00 per year), as set out in Exhibit B attached hereto; and

- b. waive its right to seek civil remedies against Wildwood for:
- (i) failing to remit payment of RAFs, penalties and interest for the years 2009, 2010, 2011, 2012, 2013, and 2014, pursuant to Sections 367.145 and 350.113, F.S., and Rule 25-30.120, F.A.C.; and
 - (ii) failing to timely file Annual Reports and to remit penalties related thereto for the years 2009, 2010, 2011, 2012, and 2013, pursuant to Section 367.121, F.S., and Rule 25-30.110, F.A.C.

The penalty reduction and/or civil action waiver is conditioned upon Wildwood's complete compliance with all of the terms of this Settlement Agreement and any final Commission order approving this agreement.

4. In lieu of the Commission pursuing all reasonable means necessary to collect the amounts owed by Wildwood, including, but not limited to, initiating an action in circuit court, Wildwood will perform the following:
- a. Submit payment to the Commission in the amount of **\$13,912.34**, by **September 20, 2015**, satisfying the principal balance of the RAFs owed by Wildwood for the years 2009 and 2010;
 - b. Submit a monthly payment of **\$1,000.00** for outstanding RAFs, penalties and interest, to the Commission, by the **20TH** of every month, beginning on **October 15, 2015**, and continuing until the balance of any outstanding RAFs, penalties and interest has been satisfied;
 - c. Submit a monthly payment of \$250.00 to the Commission for delinquent Annual Report penalties, by the **20TH** of every month, beginning on **October 15, 2015**, and continuing until the total Annual Report penalty of \$2,500.00 has been satisfied;
 - d. Submit payment of its 2015 and all future RAFs to the Commission, timely and in full; and
 - e. Submit its 2015 and all future Annual Reports to the Commission in a timely manner.

5. The Commission shall apply all payments made by Wildwood under this Settlement Agreement in the following manner:
 - a. To the principal balance of any unpaid year's RAFs, beginning with the oldest year to the most recent year, until the principal balance of any year's unpaid RAFs has been satisfied; and
 - b. To the penalty and interest balance assessed to each year of delinquent RAFs, beginning with the oldest year to the most recent year, until the penalty and interest balance of each year's delinquent RAFs has been satisfied.
6. Failure by Wildwood (i) to submit its initial payment of \$13,912.34 payment by September 20, 2015; (ii) to timely submit two (2) consecutive \$1,000.00 RAF installment payments outlined above; (iii) to timely submit two (2) consecutive \$250.00 Annual Report installment payments outlined above; or (iv) to abide by any of the other terms contained herein, shall be considered a breach of this Settlement Agreement.
7. Failure to perform any of the terms contained in this Settlement Agreement or a breach of this Settlement Agreement, shall automatically (i) accelerate the balance of any unpaid RAFs, penalties and interest, which will then become immediately due; and (ii) void the Annual Report penalty reduction, reinstating the original penalty amount of \$13,914.00, the unpaid balance of which will be immediately due.
8. Additional Payment Terms:
 - a. All payments shall be made payable to the "Florida Public Service Commission," include **Docket No. 150022-WU** on the memo line, and be sent to "Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, ATTENTION: Fiscal Services;"
 - b. Payment is considered "timely" if properly addressed, mailed with sufficient postage and postmarked no later than the due date;
 - c. Payment is considered "paid" on the date it is received and logged in by the Commission's Division of Administrative and Information Technology Services in Tallahassee, Florida, or on the date the payment is postmarked by the United States Postal Service;

- d. Payment that is returned by a financial institution for insufficient funds, or any other reason, is a failure to submit timely payment. Pursuant to Section 215.34(2), a service fee of \$15.00 or five percent (5%) of the amount of the payment returned, whichever is greater, shall be assessed to any payment returned by a financial institution for insufficient funds, or for any other reason. Two (2) returned payments shall be considered a breach of this Settlement Agreement, automatically accelerating the balance of any unpaid RAFs, penalties and interest, which will then become immediately due; and
 - e. There shall be no prepayment penalty for early payment of any of the amounts agreed upon herein.
8. In the event Wildwood, including the property upon which Wildwood is located, becomes the subject of a sale, conveyance, abandonment, or bankruptcy and all of the terms of this Settlement Agreement have not been fully satisfied, Wildwood shall:
 - a. Notify the Commission at least sixty (60) days prior to the sale, conveyance, abandonment or initiating bankruptcy proceedings;
 - b. Provide the Commission with the name and address of the purchaser, operator, or person assuming control of Wildwood;
 - c. Provide a copy of this Settlement Agreement and final Commission order approving the Settlement Agreement, as well as any attachments to same, to any purchaser, operator, or person assuming control of Wildwood; and
 - d. Provide a copy of this Settlement Agreement and final Commission order approving the Settlement Agreement, as well as any attachments to same, to the court presiding over any abandonment or bankruptcy proceeding involving Wildwood.
9. The submission of this Settlement Agreement by Wildwood is in the nature of an offer to settle. This Settlement Agreement is contingent on the Commission accepting the entire Settlement Agreement. Consequently, if this Settlement Agreement is not accepted and approved without modification, then the settlement proposal is rejected and the Settlement Agreement shall be considered null and void and of no further force or effect.
10. This Settlement Agreement will take effect the day it is approved by the Commission. In addition, Wildwood understands that the Commission's decision will be reflected in a final order.

11. Neither Party to this Settlement Agreement will request, support, or seek to impose a change in the application of any provision of this Settlement Agreement. Provided the Commission approves the Settlement Agreement, Wildwood waives its right to request further administrative or judicial proceedings concerning any of the matters, which were, or might have been, addressed by the Commission in resolving Docket No. 150022-WU, except proceedings to enforce this Settlement Agreement. This waiver of the right to further administrative or judicial proceedings shall include, but not be limited to (i) a petition for a formal proceeding in the form provided by Rule 28-106.201 or 28-106.2015, F.A.C.; (ii) a motion for reconsideration of the decision in this matter in the form prescribed by Rule 25-22.060, F.A.C.; (iii) or a notice of appeal to initiate judicial review by the Florida First District Court of Appeal pursuant to Fla. R. App. P. 9.110, in the form specified in Fla. R. App. P. 9.900(a).
12. Nothing in this Settlement Agreement shall prevent the Parties from filing an action to specifically enforce any of the terms of this Settlement Agreement. The Commission reserves the right to initiate appropriate legal action to address any violations of rules or statutes administered by the Commission that are not specifically related to or resolved by this Settlement Agreement.
13. In consideration for entering into this agreement, Wildwood acknowledges, agrees, and waives its right to an administrative formal hearing pursuant to Sections 120.569 and 120.57, F.S. Wildwood further acknowledges, agrees, and waives its right to appeal the final order on this matter.
14. This Settlement Agreement resolves all matters in Docket No. 150022-WU in accordance with Section 120.57(4), F.S. Docket No. 150022-WU will continue to remain open until all the terms of this Settlement Agreement have been satisfied by Wildwood.

WILDWOOD WATER COMPANY (wu937)

RAFS, PENALTY & INTEREST OWED

| YEAR | REVENUES | RAFS (4.5%) | PENALTY (25%) | INTEREST (1%) (THRU 9/15/15) | PAYMENTS | TOTAL DUE (ASOF 9/15/15) |
|---------------|---------------------|------------------------|--------------------------|---|-----------------|---|
| 2014 | \$177,341.00 | \$7,980.34 | \$1,995.09 | \$478.92 | \$0.00 | \$10,454.35 |
| 2013 | \$172,676.00 | \$7,770.42 | \$1,942.61 | \$1,398.68 | \$0.00 | \$11,111.71 |
| 2012 | \$161,630.00 | \$7,273.35 | \$1,818.34 | \$2,182.01 | \$0.00 | \$11,273.70 |
| 2011 | \$162,446.00 | \$7,310.07 | \$1,827.52 | \$3,143.33 | \$0.00 | \$12,280.92 |
| 2010 | \$147,232.00 | \$6,625.44 | \$1,656.36 | \$3,643.99 | \$0.00 | \$11,925.79 |
| 2009 | \$161,931.00 | \$7,286.90 | \$1,821.73 | \$4,882.22 | \$0.00 | \$13,990.85 |
| TOTALS | \$983,256.00 | \$44,246.52 | \$11,061.65 | \$15,729.15 | \$0.00 | \$71,037.32 |

WILDWOOD WATER COMPANY (WU937)

ANNUAL REPORT PENALTIES

| YEAR | DATE DUE | DATE FILED | DAYS LATE <small>(AS OF 9/15/15)</small> | PENALTY <small>(\$3 PER DAY)</small> <small>(AS OF 9/15/15)</small> | PENALTY REDUCTION |
|---------------|-----------------|-------------------|--|--|------------------------------------|
| 2014 | 05/31/2015** | 05/29/15 | 0 | \$0.00 | \$0.00 |
| 2013 | 03/31/2014 | 07/25/2014 | 116 | \$348.00 | \$500.00 |
| 2012 | 03/31/2013 | 07/25/2014 | 481 | \$1,443.00 | \$500.00 |
| 2011 | 03/31/2012 | 07/25/2014 | 846 | \$2,538.00 | \$500.00 |
| 2010 | 04/30/2011** | 03/31/2015 | 1,431 | \$4,293.00 | \$500.00 |
| 2009 | 06/01/2010** | 03/31/2015 | 1,764 | \$5,292.00 | \$500.00 |
| TOTALS | ----- | ----- | 4,638 | \$13,914.00 | \$2,500.00 |

** Utility Granted Extension to File Annual Report