December 1, 2017

Ms. Melinda Watts
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850
Mwatts@PSC.STATE.FL.US

VIA EMAIL & US MAIL

Re: Docket No. 20170178-WS – Application for original certificates of authorization for existing utility currently charging for water and wastewater service in Polk County, by The Harbor.

Dear Ms. Watts:

This letter is in response to the deficiency Number 6, Technical Ability – Permits, on your letter dated September 20, 2017. Please see the attached South Water Management District Notice of Permit Transfer letter which serves as the actual permit form for The Harbor. Permit number 53-00254-W.

Should you have any questions in regards to any of the information provided in this letter, please contact me at (727) 359-6881 or email me at kimw@coastalincomeproperties.com.

Sincerely,

Kimberly Whitt

Kimberly Whitt

Executive Assistant
Coastal Income Properties-The Harbor, LLC



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Application 171117-15 Permit 53-00254-W

November 29, 2017

Coastal Income Properties-The Harbor LLC 38573 U S Highway 19 N Palm Harbor, FL 34684-3377 jonhk@coastalincomeproperties.com

Dear Permittee:

Subject:

Notice of Permit Transfer
The Harbor Waterfront Resort

Polk County, Section 21,28, Township 29 South, Range 29 East

In response to your request which we received on November 17, 2017 for transfer of the above, Permit 53-00254-W has been officially transferred to Coastal Income Properties-The Harbor LLC, subject to the attached Notice of Rights. As a condition of transfer you have agreed that all terms and conditions of the permit are understood and accepted; as permittee you are responsible for compliance with the requirements of the permit. Any proposed modification shall be applied for and authorized by this District prior to such modification.

The Permit Transfer document including conditions and permit history are enclosed. Copies of the permit documents can be obtained from the District's ePermitting website at www.sfwmd.gov/ePermitting. To inquire on the permit's current compliance status, please contact Christie Diemer at cdiemer@sfwmd.gov or (407) 858-6100 Ext. 3838. For questions regarding the permit transfer, please contact Rich Walker at rdwalker@sfwmd.gov or (561) 682-6741.

Sincerely.

Stanley Orlowski

Section Administrator

Regulatory Support Bureau

SO/r

c: Kim Whitt, Prime Companies (kw@primeincome.properties)
Polk County Engineer (Greghentschel@polk-county.net)
Robert Smith

PERMIT NO: 53-00254-W

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9. PERMITTEE SHALL MITIGATE HARM TO EXISTING OFF-SITE LAND USES CAUSED BY THE PERMITTEE'S WITHDRAWALS, AS DETERMINED THROUGH REFERENCE TO THE CONDITIONS FOR PERMIT ISSUANCE. WHEN HARM OCCURS, OR IS IMMINENT, THE DISTRICT WILL REQUIRE THE PERMITTEE TO MODIFY WITHDRAWAL RATES OR MITIGATE THE HARM. HARM CAUSED BY WITHDRAWALS, AS DETERMINED THROUGH REFERENCE TO THE CONDITIONS FOR PERMIT ISSUANCE, INCLUDES:

- (A) SIGNIFICANT REDUCTION IN WATER LEVELS ON THE PROPERTY TO THE EXTENT THAT THE DESIGNED FUNCTION OF THE WATER BODY AND RELATED SURFACE WATER MANAGEMENT IMPROVEMENTS ARE DAMAGED, NOT INCLUDING AESTHETIC VALUES. THE DESIGNED FUNCTION OF A WATER BODY IS IDENTIFIED IN THE ORIGINAL PERMIT OR OTHER GOVERNMENTAL AUTHORIZATION ISSUED FOR THE CONSTRUCTION OF THE WATER BODY. IN CASES WHERE A PERMIT WAS NOT REQUIRED, THE DESIGNED FUNCTION SHALL BE DETERMINED BASED ON THE PURPOSE FOR THE ORIGINAL CONSTRUCTION OF THE WATER BODY (E.G. FILL FOR CONSTRUCTION, MINING, DRAINAGE CANAL, ETC.)
- (B) DAMAGE TO AGRICULTURE, INCLUDING DAMAGE RESULTING FROM REDUCTION IN SOIL MOISTURE RESULTING FROM CONSUMPTIVE USE; OR
- (C) LAND COLLAPSE OR SUBSIDENCE CAUSED BY REDUCTION IN WATER LEVELS ASSOCIATED WITH CONSUMPTIVE USE.
- 10. PERMITTEE SHALL MITIGATE HARM TO THE NATURAL RESOURCES CAUSED BY THE PERMITTEE'S WITHDRAWALS, AS DETERMINED THROUGH REFERENCE TO THE CONDITIONS FOR PERMIT ISSUANCE. WHEN HARM OCCURS, OR IS IMMINENT, THE DISTRICT WILL REQUIRE THE PERMITTEE TO MODIFY WITHDRAWAL RATES OR MITIGATE THE HARM. HARM, AS DETERMINED THROUGH REFERENCE TO THE CONDITIONS FOR PERMIT ISSUANCE INCLUDES:
 - (A) REDUCTION IN GROUND OR SURFACE WATER LEVELS THAT RESULTS IN HARMFUL LATERAL MOVEMENT OF THE FRESH WATER/SALT WATER INTERFACE,
 - (B) REDUCTION IN WATER LEVELS THAT HARM THE HYDROPERIOD OF WETLANDS,
 - (C) SIGNIFICANT REDUCTION IN WATER LEVELS OR HYDROPERIOD IN A NATURALLY OCCURRING WATER BODY SUCH AS A LAKE OR POND,
 - (D) HARMFUL MOVEMENT OF CONTAMINANTS IN VIOLATION OF STATE WATER QUALITY STANDARDS, OR
 - (E) HARM TO THE NATURAL SYSTEM INCLUDING DAMAGE TO HABITAT FOR RARE OR ENDANGERED SPECIES.
- 11. IF ANY CONDITION OF THE PERMIT IS VIOLATED, THE PERMIT SHALL BE SUBJECT TO REVIEW AND POSSIBLE MODIFICATION, ENFORCEMENT ACTION, OR REVOCATION.
- 12. AUTHORIZED REPRESENTATIVES OF THE DISTRICT, WITH ADVANCE NOTICE TO THE PERMITTEE, SHALL BE PERMITTED TO ENTER, INSPECT, AND OBSERVE THE PERMITTED SYSTEM TO DETERMINE COMPLIANCE WITH PERMIT CONDITIONS.
- 13. THE PERMITTEE IS ADVISED THAT THIS PERMIT DOES NOT RELIEVE ANY PERSON FROM THE REQUIREMENT TO OBTAIN ALL NECESSARY FEDERAL, STATE, LOCAL AND SPECIAL DISTRICT AUTHORIZATIONS.
- 14. THE PERMIT DOES NOT CONVEY ANY PROPERTY RIGHT TO THE PERMITTEE, NOR ANY RIGHTS AND PRIVILEGES OTHER THAN THOSE SPECIFIED IN THE PERMIT AND CHAPTER 40E-2, FLORIDA ADMINISTRATIVE CODE.
- 15. PERMITTEE SHALL SUBMIT ALL DATA AS REQUIRED BY THE IMPLEMENTATION SCHEDULE FOR EACH OF THE LIMITING CONDITIONS TO: SFWMD AT WWW.SFWMD.GOV/EPERMITTING, OR REGULATORY SUPPORT, 3301 GUN CLUB ROAD, WEST PALM BEACH, FL 33406.
- 16. IN THE EVENT OF A DECLARED WATER SHORTAGE, WATER WITHDRAWAL REDUCTIONS WILL BE ORDERED BY THE DISTRICT IN ACCORDANCE WITH THE WATER SHORTAGE PLAN, CHAPTER 40E-21, F.A.C. THE PERMITTEE IS ADVISED THAT DURING A WATER SHORTAGE, PUMPAGE REPORTS SHALL BE SUBMITTED AS REQUIRED BY CHAPTER 40E-21, F.A.C.

NOTICE OF RIGHTS

As required by Sections 120.569 and 120.60(3), Fla. Stat., the following is notice of the opportunities which may be available for administrative hearing or judicial review when the substantial interests of a party are determined by an agency. Please note that this Notice of Rights is not intended to provide legal advice. Not all of the legal proceedings detailed below may be an applicable or appropriate remedy. You may wish to consult an attorney regarding your legal rights.

RIGHT TO REQUEST ADMINISTRATIVE HEARING

A person whose substantial interests are or may be affected by the South Florida Water Management District's (SFWMD or District) action has the right to request an administrative hearing on that action pursuant to Sections 120.569 and 120.57, Fla. Stat. Persons seeking a hearing on a SFWMD decision which affects or may affect their substantial interests shall file a petition for hearing with the Office of the District Clerk of the SFWMD, in accordance with the filing instructions set forth herein, within 21 days of receipt of written notice of the decision, unless one of the following shorter time periods apply: (1) within 14 days of the notice of consolidated intent to grant or deny concurrently reviewed applications for environmental resource permits and use of sovereign submerged lands pursuant to Section 373.427, Fla. Stat.; or (2) within 14 days of service of an Administrative Order pursuant to Section 373.119(1), Fla. Stat. "Receipt of written notice of agency decision" means receipt of written notice through mail, electronic mail, or posting that the SFWMD has or intends to take final agency action. Any person who receives written notice of a SFWMD decision and fails to file a written request for hearing within the timeframe described above waives the right to request a hearing on that decision.

If the District takes final agency action which materially differs from the noticed intended agency decision, persons who may be substantially affected shall, unless otherwise provided by law, have an additional Rule 28-106.111, Fla. Admin. Code, point of entry.

Any person to whom an emergency order is directed pursuant to Section 373.119(2), Fla. Stat., shall comply therewith immediately, but on petition to the board shall be afforded a hearing as soon as possible.

A person may file a request for an extension of time for filing a petition. The SFWMD may, for good cause, grant the request. Requests for extension of time must be filed with the SFWMD prior to the deadline for filing a petition for hearing. Such requests for extension shall contain a certificate that the moving party has consulted with all other parties concerning the extension and that the SFWMD and any other parties agree to or oppose the extension. A timely request for an extension of time shall toll the running of the time period for filing a petition until the request is acted upon.

FILING INSTRUCTIONS

A petition for administrative hearing must be filed with the Office of the District Clerk of the SFWMD. Filings with the Office of the District Clerk may be made by mail, hand-delivery, or e-mail. Filings by facsimile will not be accepted. A petition for administrative hearing or other document is deemed filed upon receipt during normal business hours by the Office of the District Clerk at SFWMD headquarters in West Palm Beach, Florida. The District's normal business hours are 8:00 a.m. – 5:00 p.m., excluding weekends and District holidays. Any document received by the Office of the District Clerk after 5:00 p.m. shall be deemed filed as of 8:00 a.m. on the next regular business day. Additional filing instructions are as follows:

 Filings by mail must be addressed to the Office of the District Clerk, 3301 Gun Club Road, West Palm Beach, Florida 33406.

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- Filings by hand-delivery must be delivered to the Office of the District Clerk. Delivery of a petition to
 the SFWMD's security desk does not constitute filing. It will be necessary to request that the
 SFWMD's security officer contact the Office of the District Clerk. An employee of the SFWMD's
 Clerk's office will receive and file the petition.
- Filings by e-mail must be transmitted to the Office of the District Clerk at clerk@sfwmd.gov. The filing date for a document transmitted by electronic mail shall be the date the Office of the District Clerk receives the complete document. A party who files a document by e-mail shall (1) represent that the original physically signed document will be retained by that party for the duration of the proceeding and of any subsequent appeal or subsequent proceeding in that cause and that the party shall produce it upon the request of other parties; and (2) be responsible for any delay, disruption, or interruption of the electronic signals and accepts the full risk that the document may not be properly filed.

INITIATION OF AN ADMINISTRATIVE HEARING

Pursuant to Sections 120.54(5)(b)4. and 120.569(2)(c), Fla. Stat., and Rules 28-106.201 and 28-106.301, Fla. Admin. Code, initiation of an administrative hearing shall be made by written petition to the SFWMD in legible form and on 8 1/2 by 11 inch white paper. All petitions shall contain:

- 1. Identification of the action being contested, including the permit number, application number, SFWMD file number or any other SFWMD identification number, if known.
- 2. The name, address, any email address, any facsimile number, and telephone number of the petitioner and petitioner's representative, if any.
- 3. An explanation of how the petitioner's substantial interests will be affected by the agency determination.
- 4. A statement of when and how the petitioner received notice of the SFWMD's decision.
- 5. A statement of all disputed issues of material fact. If there are none, the petition must so indicate.
- 6. A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the SFWMD's proposed action.
- 7. A statement of the specific rules or statutes the petitioner contends require reversal or modification of the SFWMD's proposed action.
- 8. If disputed issues of material fact exist, the statement must also include an explanation of how the alleged facts relate to the specific rules or statutes.
- 9. A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the SFWMD to take with respect to the SFWMD's proposed action.

MEDIATION

The procedures for pursuing mediation are set forth in Section 120.573, Fla. Stat., and Rules 28-106.111 and 28-106.401–.405, Fla. Admin. Code. The SFWMD is not proposing mediation for this agency action under Section 120.573, Fla. Stat., at this time.

RIGHT TO SEEK JUDICIAL REVIEW

Pursuant to Section 120.68, Fla. Stat., and in accordance with Florida Rule of Appellate Procedure 9.110, a party who is adversely affected by final SFWMD action may seek judicial review of the SFWMD's final decision by filing a notice of appeal with the Office of the District Clerk of the SFWMD in accordance with the filing instructions set forth herein within 30 days of rendition of the order to be reviewed, and by filing a copy of the notice with the clerk of the appropriate district court of appeal.

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SOUTH FLORIDA WATER MANAGEMENT DISTRICT PERMIT TRANSFER FOR WATER USE GENERAL PERMIT NO. 53-00254-W **EXPIRATION DATE: July 21, 2029**

DATE ISSUED: 29-NOV-2017

PERMITTEE:

COASTAL INCOME PROPERTIES-THE HARBOR LLC

(THE HARBOR WATERFRONT RESORT)

38573 U S HIGHWAY 19 N

PALM HARBOR . FL 34684-3377

ORIGINAL PERMIT ISSUED:

JULY 21, 2009

ORIGINAL PROJECT AUTHORIZATION: THE USE OF GROUNDWATER FROM THE FLORIDAN AQUIFER FOR PUBLIC WATER SUPPLY WITH

AN ANNUAL ALLOCATION OF 11.9 MILLION GALLONS.

CURRENT AUTHORIZATION:

TRANSFER THE USE OF GROUNDWATER FROM THE FLORIDAN AQUIFER FOR PUBLIC WATER

SUPPLY WITH AN ANNUAL ALLOCATION OF 11.9 MILLION GALLONS.

PROJECT LOCATION:

POLK COUNTY

SECTION: 21,28

TWP: 29S RGE: 29F

In response to Transfer Application No.171117-15, dated November 17, 2017 this Permit Transfer is issued pursuant to the applicable provisions of Subsection 373 Part II, Florida Statutes (F.S.) and Rules 40E-1.6107 and 40E-2.351, Florida Administrative Code.

All Permit design specifications, special and general/limiting Permit conditions, and other terms and requirements contained in the Permit shall remain in full force and effect unless further modified by the South Florida Water Management District ("District") and shall be binding upon the Permittee for the duration of the Permit, as specified in Rule 40E-2.321, Florida Administrative Code.

Upon written notice to the permittee, this permit may be temporarily modified, or restricted under a Declaration of Water Shortage or Declaration of Emergency due to Water Shortage in accordance with the provision of Chapter 373, Florida Statutes (F.S.), and applicable rules and regulations of South Florida Water Management District.

This Permit may be permanently or temporarily revoked, in whole or in part, for the violation of the conditions of this permit or for the violation of any provisions of the Water Resources Act and Regulation thereunder.

This Permit does not convey to the permittee any property rights nor any privileges other than those specified herein, nor relieve the permittee from complying with any law, regulation or requirement affecting the rights of other bodies or agencies.

This Permit may be transferred pursuant to the appropriate provisions of Chapter 373, F.S., and Sections 40E-1.6107(1) and (2), Florida Administrative Code (F.A.C.).

In the event the property is sold or otherwise conveyed, the Permittee shall remain liable for compliance with this Permit until permit transfer to the new owner is approved by the District. Rule 40E-1.6105, Florida Administrative Code requires written notification to the District within 30 days of the transfer of any interest in the permitted real property, giving the name and address of the new owner in interest with a copy of the instrument effecting the transfer.

LIMITING CONDITIONS ARE AS FOLLOWS:

SEE PAGES 2 - 3 OF 3

DMITING CONDITIONS)

Stanley Orlowski

Section Administrator Regulatory Support Bureau

PAGE 1 OF 3

PERMIT NO: 53-00254-W PAGE: 2 OF 3

LIMITING CONDITIONS

- THIS PERMIT SHALL EXPIRE JULY 21, 2029.
- 2. APPLICATION FOR A PERMIT MODIFICATION MAY BE MADE AT ANY TIME.
- WATER USE CLASSIFICATION:

PUBLIC WATER SUPPLY

SOURCE CLASSIFICATION IS:

GROUNDWATER FROM: FLORIDAN AQUIFER SYSTEM

ANNUAL ALLOCATION SHALL NOT EXCEED 11.94 MG.

MAXIMUM MONTHLY ALLOCATION SHALL NOT EXCEED 1.56 MG.

6. PURSUANT TO RULE 40E-1.6105, F.A.C., NOTIFICATION OF TRANSFER OF INTEREST IN REAL PROPERTY, WITHIN 30 DAYS OF ANY TRANSFER OF INTEREST OR CONTROL OF THE REAL PROPERTY AT WHICH ANY PERMITTED FACILITY, SYSTEM, CONSUMPTIVE USE, OR ACTIVITY IS LOCATED, THE PERMITTEE MUST NOTIFY THE DISTRICT, IN WRITING, OF THE TRANSFER GIVING THE NAME AND ADDRESS OF THE NEW OWNER OR PERSON IN CONTROL AND PROVIDING A COPY OF THE INSTRUMENT EFFECTUATING THE TRANSFER, AS SET FORTH IN RULE 40E-1.6107, F.A.C.

PURSUANT TO RULE 40E-1.6107 (4), UNTIL TRANSFER IS APPROVED BY THE DISTRICT, THE PERMITTEE SHALL BE LIABLE FOR COMPLIANCE WITH THE PERMIT. THE PERMITTEE TRANSFERRING THE PERMIT SHALL REMAIN LIABLE FOR ALL ACTIONS THAT ARE REQUIRED AS WELL AS ALL VIOLATIONS OF THE PERMIT WHICH OCCURRED PRIOR TO THE TRANSFER OF THE PERMIT.

FAILURE TO COMPLY WITH THIS OR ANY OTHER CONDITION OF THIS PERMIT CONSTITUTES A VIOLATION AND PURSUANT TO RULE 40E-1.609, SUSPENSION, REVOCATION AND MODIFICATION OF PERMITS, THE DISTRICT MAY SUSPEND OR REVOKE THE PERMIT.

THIS PERMIT IS ISSUED TO:

COASTAL INCOME PROPERTIES-THE HARBOR L L C 38573 U S HIGHWAY 19 N PALM HARBOR, FL - 34684-3377

7. WITHDRAWAL FACILITIES:

GROUND WATER - EXISTING:

- 1 4" X 80 GPM WELL WITH UNKNOWN TOTAL AND CASED DEPTH
- 1 6" X 575' X 80 GPM WELL CASED TO 365 FEET
- 8. PERMITTEE SHALL MITIGATE INTERFERENCE WITH EXISTING LEGAL USES THAT WAS CAUSED IN WHOLE OR IN PART BY THE PERMITTEE'S WITHDRAWALS, CONSISTENT WITH THE APPROVED MITIGATION PLAN. AS NECESSARY TO OFFSET THE INTERFERENCE, MITIGATION WILL INCLUDE PUMPAGE REDUCTION, REPLACEMENT OF THE IMPACTED INDIVIDUAL'S EQUIPMENT, RELOCATION OF WELLS, CHANGE IN WITHDRAWAL SOURCE, OR OTHER MEANS.

INTERFERENCE TO AN EXISTING LEGAL USE IS DEFINED AS AN IMPACT THAT OCCURS UNDER HYDROLOGIC CONDITIONS EQUAL TO OR LESS SEVERE THAN A 1 IN 10 YEAR DROUGHT EVENT THAT RESULTS IN THE:

- (A) INABILITY TO WITHDRAW WATER CONSISTENT WITH PROVISIONS OF THE PERMIT, SUCH AS WHEN REMEDIAL STRUCTURAL OR OPERATIONAL ACTIONS NOT MATERIALLY AUTHORIZED BY EXISTING PERMITS MUST BE TAKEN TO ADDRESS THE INTERFERENCE; OR
- (B) CHANGE IN THE QUALITY OF WATER PURSUANT TO PRIMARY STATE DRINKING WATER STANDARDS TO THE EXTENT THAT THE WATER CAN NO LONGER BE USED FOR ITS AUTHORIZED PURPOSE, OR SUCH CHANGE IS IMMINENT.

PERMIT HISTORY

21-NOV-2017 transfer_history

Permit No: 53-00254-W

Project Description: THE HARBOR WATERFRONT RESORT

Issue Date	App#	Permit Type	Purpose	M/O Owner	Project
21-JUL-09	090413-10	WU NEW GENERAL	GENERAL PERMIT - MINOR	ROBERT SMITH	THE HARBOR RV RESORT AND MARINA
29-NOV-17	171117-15	WU TRANS INDIVIDUAL	PERMIT TRANSFER	COASTAL INCOME PROPERTIES-THE HARBOR L L C	THE HARBOR WATERFRONT RESORT