

Check received with filing and forwarding
to Fiscal for deposit. Fiscal to forward
deposit information to Records.
Initials of person who forwarded check:

DOCKET NO. 20180066-WU

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

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

FILED 3/12/2018
DOCUMENT NO. 02237-2018
FPSC - COMMISSION CLERK

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

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

Check received with filing and forwarding
to Fiscal for deposit. Fiscal to forward
deposit information to Records.
Initials of person who forwarded check:

The undersigned hereby makes application for the transfer of facilities and transfer ☒ or cancellation ☐ of Water Certificate No. 555-W and/or Wastewater Certificate No. _____ and amendment of Water Certificate No. _____ and/or Wastewater Certificate No. _____ in Alachua County, Florida, and submits the following information:

PART I

APPLICANT INFORMATION

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

Kincaid Hills Water Company
Utility Name

3260 SE 19 Ave
Office Street Address

Gainesville FL 32602
City State Zip Code

P.O. Box 15016
Mailing Address (if different from Street Address)

Gainesville FL 32602
City State Zip Code

RECEIVED-FPSC
2018 MAR 12 AM 9:05
COMMISSION
CLERK

(352) 373-0729

Phone Number

(352) 373-0729

Fax Number

59-2221952

Federal Employer Identification Number

berdell1@yahoo.com

E-Mail Address

N/A

Website Address

555-W

Water Certificate No.

Wastewater Certificate No.

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

Berdell Knowles, Sr.

Name

P.O. Box 15016

Mailing Address

Gainesville

FL

32602

City

State

Zip Code

(352) 373-0729

Phone Number

(352) 373-0729

Fax Number

berdell1@yahoo.com

E-Mail Address

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

Gator Waterworks, Inc.

Buyer's Name

4939 Cross Bayou Blvd.

Office Street Address

New Port Richey

FL

32652

City

State

Zip Code

Same

Mailing Address (if different from Street Address)

City

State

Zip Code

(727) 848-8292

(727) 848-7701

Phone Number

Fax Number

82-4052362

Federal Employer Identification Number

trendell@uswatercorp.net

E-Mail Address

Gator Waterworks, Inc.

New Utility Name

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

Troy Rendell, Vice President - Investor Owned Utilities

Name

Same as above

Mailing Address

City

State

Zip Code

(727) 848-8292

(727) 848-7701

Phone Number

Fax Number

trendell@uswatercorp.net

E-Mail Address

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

Troy Rendell
Name

Same as above.
Mailing Address

City State Zip Code

() - () -
Phone Number Fax Number

same as above
E-Mail Address

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

- ☒ Corporation P18000004899
Number
- ☐ Limited Liability Company
Number
- ☐ Partnership
Number
- ☐ Limited Partnership
Number
- ☐ Limited Liability Partnership
Number
- ☐ Sole Proprietorship
- ☐ Association
- ☐ Other (Specify)

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

☐ Fictitious Name (d/b/a) _____
Registration Number _____

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

Gary Deremer - 100%

- H) Provide the date and state of incorporation or organization of the buyer.

January 16, 2018 - State of Florida

PART II

TRANSFER OF CERTIFICATE

A) DESCRIPTION OF SALE AGREEMENT

- 1) Exhibit A - Provide a copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval.
- 2) Exhibit B - Provide the following documentation of the terms of the transfer:
 - a) The date the closing occurred or will occur.

February 23, 2018
 - b) The purchase price and terms of payment.

\$82,500 - Cash
 - c) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities.

See attached schedule

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

Not Applicable.

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

Seller retained the customer deposits for appropriate disposition. Buyer did not obtain customer deposits. There are no developer agreements or customer advances. Buyer assumed no debt from Seller.

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

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

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

Very little records were obtained from Seller. Only 2016 Annual Report was obtained along with 2016 Tax Return. Buyer has requested additional records if obtainable.

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

Buyer will maintain its books and records using the NARUC USOA.

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

The books and records will be maintained at the utility's office in New Port Richey, FL. See address above.

B) FINANCIAL ABILITY

- 1) Exhibit C - Provide a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided.
- 2) Exhibit C - Provide a list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements.

See Exhibit C - financial statements will be provided under separate cover letter requesting confidential treatment.

C) TECHNICAL ABILITY

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

See Exhibit D

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

D) TERRITORY DESCRIPTION, PUBLIC INTEREST, AND FACILITIES

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

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

See Exhibit F

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

See Exhibit G

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

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

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

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

E) PROPOSED TARIFF

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

F) ACCOUNTING INFORMATION

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

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

2016 Tax Records were obtained

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

Gator (Buyer) paid all outstanding RAFS and current 2017 RAFs directly to FPSC. Buyer has no knowledge as to the filing of the 2017 Annual Report by Seller.

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

G) NOTICING REQUIREMENTS

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

PART III

SIGNATURE

Please sign and date the utility's completed application.

APPLICATION SUBMITTED BY:



Applicant's Signature

Troy Rendell

Applicant's Name (Printed)

Vice President - Investor-Owned Utilities

Applicant's Title

March 6, 2018

Date

Gator Waterworks, Inc.
Filing Fee Pursuant to Rule 25-30.020, Florida Administrative
Code

Water

Permitted Capacity: 236,400 gallons

350 gpd per ERC: 350 gpd

Number of ERCs 675.43 ERCs

Filing Fee: \$1,500

**Electronic Articles of Incorporation
For**

P18000004899
FILED
January 16, 2018
Sec. Of State
tscott

GATOR WATERWORKS, INC.

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

Article I

The name of the corporation is:

GATOR WATERWORKS, INC.

Article II

The principal place of business address:

4939 CROSS BAYOU BLVD
NEW PORT RICHEY, FL. 34652

The mailing address of the corporation is:

4939 CROSS BAYOU BLVD
NEW PORT RICHEY, FL. 34652

Article III

The purpose for which this corporation is organized is:

ANY AND ALL LAWFUL BUSINESS.

Article IV

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

1000

Article V

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

WILLIAM T RENDELL
4939 CROSS BAYOU BLVD.
NEW PORT RICHEY, FL. 34652

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

Registered Agent Signature: WILLIAM T RENDELL

Article VI

The name and address of the incorporator is:

WILLIAM T RENDELL
4939 CROSS BAYOU BLVD
NEW PORT RICHEY, FL 34652

0.0018435
23950
44.152077

Electronic Signature of Incorporator: WILLIAM T RENDELL

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

Article VII

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

Title: D, P
GARY DEREMER
8625 SEAPOINTE COURT
PORT RICHEY, FL. 34668

0.0018435
23950
44.152077

Title: S, T
WILLIAM T RENDELL
4939 CROSS BAYOU BLVD
NEW PORT RICHEY, FL. 34652

Article VIII

The effective date for this corporation shall be:

01/12/2018

0.0018435
23950
44.152077

0.0018435
23950
44.152077

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of GATOR WATERWORKS, INC., a Florida corporation, filed electronically on January 16, 2018 effective January 12, 2018, as shown by the records of this office.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is P18000004899.

Authentication Code: 180118091318-300307880193#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Eighteenth day of January, 2018



Ken Detzner
Ken Detzner
Secretary of State

6	Balance	\$ -
	\$ 6,000.00	\$ -
	\$ -	\$ -
	\$ 3,800.00	\$ -
	\$ -	\$ -
	\$ 1,500.00	\$ -
	\$ 18,300.00	\$ -
	\$ 79,634.00	\$ -
	\$ 2,409.00	\$ -
	\$ 29,155.00	\$ -
	\$ 154,830.00	\$ -
	\$ -	\$ -
	\$ 72,423.00	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ 6,400.00	\$ -
	\$ 6,791.00	\$ -
	\$ 68,948.00	\$ -
	\$ -	\$ -
	\$ 1,200.00	\$ -
	\$ 200.00	\$ -
	\$ 2,552.00	\$ -
	\$ 350.00	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ 2,388.80	\$ -
	\$ 456,880.80	\$ -
	\$ 14,000.00	\$ -

State of Florida

Department of State

I certify from the records of this office that GATOR WATERWORKS, INC. is a corporation organized under the laws of the State of Florida, filed electronically on January 16, 2018, effective January 12, 2018.

The document number of this corporation is P18000004899.

I further certify that said corporation has paid all fees due this office through December 31, 2018, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 180118091318-300307880193#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Eighteenth day of January, 2018



Ken Detzner
Ken Detzner
Secretary of State

\$ 470,880.80

6	Balance	\$ -
	\$ 5,601.00	\$ -
	\$ -	\$ -
	\$ 2,800.60	\$ -
	\$ 187.95	\$ 18,300.00
	\$ 24,972.48	\$ 2,653.00
	\$ 20,271.40	\$ 108,566.03
	\$ -	\$ -
	\$ 72,986.37	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ 6,400.00	\$ 6,791.00
	\$ 68,948.00	\$ -
	\$ 1,200.00	\$ 200.00
	\$ 2,552.00	\$ 350.00
	\$ -	\$ -
	\$ -	\$ 34.84
	\$ 342,814.66	\$ 342,814.66

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

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

A copy of the Asset Purchase Agreement, including attachments, by and between Kincaid Water Company and Gator Waterworks, Inc. executed on January 12, 2018 is attached hereto.

THIS ASSET PURCHASE AGREEMENT, dated as of the 12th day of January 2018, by and between **Kincaid Hills Water Company** with an address of 3260 Southeast 19th Avenue, Gainesville, FL 32602_ (“Seller”), and **Gator Waterworks, Inc. (Buyer)**, a Florida corporation with an address of 4939 Cross Bayou Blvd., New Port Richey, FL 34652 (“Gator” or “Buyer”), with reference to the following RECITALS:

RECITALS

A. WHEREAS, Seller owns, maintains and operates a water production and distribution system (collectively the “System”) that provides water service to the residents of Kincaid Hills; Devonshire Estates; Kentwood; and Shady Lawn which are all located within Alachua County, Florida (the “Service Area”).

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

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

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

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

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

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

1.1 Assets Further Defined

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

- (a) all the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrant, pump stations, structures, irrigation service lines, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller, or in which Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;

- (b) all rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets;
- (c) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the utility services provided by Seller in Alachua County.

1.2 Excluded Assets

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

- (a) any and all customer service lines that run from outside the meter box or from the curb stop to each individual residence, commercial or industrial structure served by the Assets;
- (b) Any customer water service lines that run from the curb to the residences;
- (c) all piping and fixtures internal to each individual customer's structure;
- (d) Seller's cash and accounts receivables as of the date of Closing; and
- (e) Sellers' Accounts Receivable as of the date of Closing.

1.3 Consideration

The total purchase price ("Purchase Price") for the Assets will include a total price of Eighty-Two Thousand, Five Hundred Dollars (\$82,500.00) for the portion of the assets attributable to the water service. The Purchase Price will be distributed as follows:

- (a) An appropriate portion of this Purchase Price equal to the unpaid past due Regulatory Assessment Fees, Fines, and Interest due to the FPSC, including the current year (2017), will be paid directly to the FPSC upon the date of Closing.
- (b) An appropriate portion of this Purchase Price equal to the unpaid property taxes due to Alachua County Tax Collector (Alachua County) for both past due and present taxes due to the Alachua County, including the current year (2017), for Property 11-10-20-16134022000 and Property 12-10-20-16189001017 which will be paid directly to Alachua County upon the date of Closing.
- (c) Eighty percent (80%) of the remaining difference between the amount paid to the FPSC and Alachua County and the Purchase Price will be paid directly to the Seller upon the date of Closing.
- (d) Twenty percent (20%) of the remaining difference between the amount paid to the FPSC and Alachua County and the Purchase Price will be withheld pending the determination of the Final Purchase Price more definitely prescribed below. Any remaining amount, if any, will be paid directly to the Seller after approval of the Final Transfer of Certificate by the FPSC.

Final Purchase Price will be determined by any change in Rate Base as determined by the FPSC during the Approval of Transfer Application. The Final Purchase Price will be adjusted for any reductions to the approved Rate Base as determined by the FPSC. **In no circumstance will the Final Purchase Price exceed \$82,500.00**

Buyer will perform a final due diligence of all facilities and assets. The due diligence is to ensure all assets are in the same working condition, that all permits are valid, current and that there are no compliance infractions in force at the time of the date of this final completion of this Agreement. If, after conducting the final due diligence, Buyer determines that the assets are not in the same working condition, that any permit is no longer valid or current, or that there are compliance infractions, Seller shall have 60 days to either correct the condition or reach an agreement with Buyer for a reduction to the purchase price. If Seller refuses to correct the condition or is unable to reach agreement with Buyer concerning a reduction to the Purchase Price, Buyer may elect to terminate this Agreement without penalty or to proceed to Closing. **The Seller shall then immediately refund the amounts already paid by the Buyer to both the FPSC and Alachua County at Closing.**

Failure to repay this amount to Seller previously paid to the FPSC will be a forfeiture of the Seller's rights to terminate this Agreement for any cause. In such instance, the Final Purchase Price will be equivalent to the amounts previously paid to the FPSC and Alachua County at Closing. Upon such circumstance, this Agreement will become final.

1.4 Contractual Obligations

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

1.5 Non-Assumption of Liabilities

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

2. CLOSING

Subject to the provisions of **Sections 4 and 5**, Closing hereunder (the "Closing") shall take place as mutually agreed upon by the Seller and Buyer, and which shall take place on or before March 1, 2018. The date of the Closing is referred to herein as the "Closing Date". The effective time of the legal transfer hereunder shall be 12:01 a.m. on the day following the Closing Date.

2.1 Items to be delivered at Closing

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

- (a) Seller shall deliver to Buyer the Assets, including, without limitation, the following:
 - (i) instruments and documents of conveyance and transfer, all in form reasonably satisfactory to Buyer and its counsel, as shall be necessary and effective to transfer and assign to, and vest in, Buyer good and marketable title to the Assets and all rights to operate the System as such is now being operated, including, but not limited to the following documents: a Deed for each parcel to be conveyed and a Bill of Sale and Assignments.
 - (ii) a complete and accurate list of the names and addresses of all customers of Seller, both in paper form and in electronic form on a diskette that can be downloaded to a computer, along with a billing history for each customer;
 - (iii) a complete listing of the last meter reading (ending read) in paper form and in electronic form for all customers of Seller referred to in Section 2.1(c) hereof.
 - (iv) keys to any and all buildings and gates; and simultaneously with such delivery, all such steps shall be taken as may be required to put Buyer in actual possession and operating control of the Assets.
- (b) Seller shall deliver to Buyer the agreements, opinions, certificates and other documents and instruments referred to in **Section 5** hereof.
- (c) Buyer and Seller agree that final meter readings shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by the Seller for the purpose of issuing final bills, and shall constitute the opening readings for Buyer. Buyer shall use these readings to begin the billing cycle for its new customers following Closing, and shall not be responsible for the collection of any amounts due Seller for bills issued by Seller as a result the Seller's final meter reading.
- (d) Accurate asset listing and depreciation schedules updated through the closing date.

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

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

2.2 Transfer of Utilities

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

2.3 Further Assurances

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

3. CONDUCT OF PARTIES PENDING CLOSING

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

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

4. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

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

4.1 Closing Certificate: Performance by Buyer

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

4.2 Litigation Affecting Closing

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

5. **CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

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

5.1 Satisfaction with Operational and Real Estate Title Issues

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

5.2 Closing Certificate: Performance by Seller

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

5.3 Litigation Affecting Closing

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

5.4 Seller Authorizations

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

contemplated.

5.5 Governmental Approvals

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

5.6 Regulatory Approval Contingency.

The sale of assets contemplated by this Agreement is subject to and contingent upon the receipt of a favorable Florida Public Service Commission ("FPSC") staff recommendation and FPSC approval upon terms and conditions reasonably acceptable to Buyer and Seller as to such recommendation and approval. As provided in Section 367.071, Florida Statutes, the parties desire to close the transaction in advance of the FPSC Staff's recommendation and the FPSC's approval. In the event that the FPSC staff and/or the FPSC determines that the sale and transfer of the Water System Assets is not in the public interest and that Buyer will not fulfill the commitments, obligations, and representations of the utility, and, therefore, the FPSC denies such transfer, or in the event that the FPSC staff recommends and/or the FPSC approves the sale and transfer of the Water System Assets upon terms and conditions not reasonably acceptable to Buyer and Seller then the Water System Assets remain with the Seller and any and all agreements or understandings will be null and void between the Seller and Buyer. In addition, the provisions for repayment of the RAFs and Property Taxes as reference in **Section 1.3** contained herein shall apply. In the event of non-repayment of such prepaid amounts of RAFs and Property Taxes, Seller agrees to bear all such litigation costs of Buyer, including any penalties under applicable law of the State of Florida.

5.8 Satisfaction of Buyer

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

6. REPRESENTATIONS AND WARRANTIES OF SELLER

6.1 Seller hereby represents and warrants to Buyer as follows:

- (a) Organization. Kincaid Hills Water Company as a Corporation is duly organized, validly existing and in good standing under the laws of the State of Florida.
- (b) System Ownership. Seller holds the exclusive right, title, interest and power to sell the assets of **Kincaid Hills Water Company**
- (c) Current Operations. Seller has all requisite power and authority and all agreements, contracts, commitments, leases, certificates, licenses, permits, regulatory authorizations and other instruments required to conduct the business of the System as it has been and is now being conducted and to own and operate the System.

- (d) Legal Authority. Seller has the full power and lawful authority to transfer to Buyer the rights, title and interest in and to the System.
- (e) Due Authorization: Valid and Binding. Seller has the full power and lawful authority to execute and deliver this Agreement and all related agreements and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement and all related documents and agreements by all necessary proceedings. This Agreement and all related agreements constitute the valid and binding obligation of Seller.
- (f) No Approvals or Violations. This Agreement does not require any further approvals of any other party, does not violate any law, ordinance or regulation, does not conflict with any order or decree, and does not conflict with or result in a breach of any contract, lease or permit to which Seller is a party.
- (g) Party to Decree. Seller is not party to, or subject to the provision of, any judgment, order, writ, injunction or decree of any court or of any governmental official, agency or instrumentality relating to the System or the Assets.
- (h) List of Assets. Schedule 1 contains a true and complete list of the Assets.
- (i) Customer Records. The data contained in the customer records provided to Buyer is true and accurate.

6.2 Seller hereby represents and warrants to Buyer as follows:

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

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

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

7. **REPRESENTATIONS AND WARRANTIES OF BUYER**

7.1 Buyer hereby represents and warrants to Seller as follows:

- (a) Organization. Buyer is a corporation duly organized and validly existing and in good standing under the laws of the State of Florida.
- (b) Due Authorization; Valid and Binding. Buyer has the full power and lawful authority to execute this Agreement and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement by all necessary proceedings. This Agreement constitutes the valid and binding obligations of Buyer.
- (c) Financial Wherewithal. Buyer has the financial wherewithal to complete the purchase of the Assets as contemplated hereunder and upon completion of Closing, to operate and manage the Assets at, or exceeding, the level of service provided by the Seller prior to Closing.

8. **INDEMNIFICATION**

8.1 Indemnification of Seller

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

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

8.2 Indemnification of Buyer

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

- (a) any liabilities or obligations of Seller of any nature whatsoever except for those liabilities and obligations of Seller which Buyer specifically assumes pursuant to this Agreement;
- (b) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Seller under this Agreement, or from any misrepresentation in, or omission from, any Schedule or information furnished to Buyer pursuant to this Agreement or in connection with the negotiation, execution or performance of this Agreement;
- (c) the provision of water service by Seller for the period prior to the date of Closing;
- (d) issues of regulatory compliance and claims by third parties for events that are attributable to events that occurred prior to Closing;
- (e) the enforcement of this **Section 8**.

8.3 General

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

9. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

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

10. **MISCELLANEOUS**

10.1 Contents of Agreement; Parties in Interest; etc.

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

10.2 Binding Effect

All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of

and be enforceable by the legal representatives, successors and assigns of Seller or Buyer.

10.3 Notices

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

If to Buyer:

Mr. Gary A. Deremer, President
Gator Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

If to Seller:

Mr. Berdell Knowles, Sr.
Kincaid Hills Water Company
P.O. Box 15016
Gainesville, FL 32602

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

10.5 Florida Law to Govern

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

10.6 No Benefit to Others

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

10.7 Headings, Gender, etc.

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

10.8 Exhibits and Schedules

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

10.09 Severability

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

10.10 Counterparts

This Agreement may be executed in any number of counterparts and any signatory hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all signatories. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

10.11 Continuance of Cooperation

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

Agreement on the date first written.

SELLER:

Kincaid Hills Water Company

By: Berdell Knowles, Sr.

President

Print: Berdell Knowles, Sr.

BUYER:

Gator Waterworks, Inc.

By: Gary Deremer

President

Print: Gary Deremer

Schedule 1

- 1) Two (2) potable water wells, including pumps & motors, and buildings, pipes, pipelines, treatment equipment and facilities, pumping stations, storage tanks and facilities,
- 2) Two (2) elevated water storage tanks
- 3) One (1) ground water storage tank
- 4) All Land owned by Seller – including Property 11-10-20-16134022000 (unassigned location) and Property 12-10-20-16189001017 located at 2220 SE 45th Terrace, together with all hereditaments, tenements and appurtenances belonging or appertaining thereto.
- 5) Auxiliary generator
- 6) All water distribution mains and services
- 7) All easements and rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets
- 8) Any and all transportation vehicles owned and registered to the Seller.

EXHIBIT B
Rule 25-30.037 (2)(j)

The buyer must provide the following documentation of the terms of the transfer:

- 1. The date the closing occurred or will occur;**
- 2. The purchase price and terms of payment;**
- 3. A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities;**
- 4. A description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations;**

A copy of the final executed closing dates, including attachments, by and between Kincaid Water Company and Gator Waterworks, Inc. executed on February 23, 2018 is attached hereto.

Prepared by/return to:

R: Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668
File #18-031

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that on the _____ day of _____, 2016, **KINCAID HILLS WATER COMPANY**, a dissolved Florida corporation ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **GATOR WATERWORKS, INC.**, a Florida corporation ("Purchaser"), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement between the parties, dated January 12, 2018 (the "Purchase Agreement"), hereby grant, sell, assign and convey to Purchaser all of Seller's right, title and interest in and to all of the personal property, both tangible and intangible, of the Assets, as such term is defined in the Purchase Agreement, including, but not limited to, the following:

1. All water supply, treatment, storage, distribution and transmission facilities, including, but not limited to, pumps, plants, wells, tanks, transmission mains, distribution mains, supply pipes, collection pipes or facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection with the Utility System, together with all additions or replacements thereto;
2. The following, but only to the extent that Seller's right, title or interest is transferrable: all certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, easements, and all rights to construct, maintain, and operate the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
3. All supplier lists, customer records, prints, plans, including plans in electronic or digital format, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
4. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias, or other reproducible materials in Seller's possession, including right of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form;
5. All rights of Seller under any Developer Agreements, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;
6. All rights and obligations of Seller under the Contracts and Leases, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;

Notwithstanding the foregoing, Seller does not hereby convey to Purchaser those certain Excluded Assets, as such term is defined and described in the Purchase Agreement.

Seller represents and warrants that it is providing all of its ownership interest in and to the above-referenced property and has removed or provided for the removal of all liens, security interests or encumbrances.

All capitalized terms utilized herein, and not otherwise defined herein, shall have the meanings ascribed thereto in the Purchase Agreement. The terms and conditions contained in the Purchase Agreement are incorporated herein by reference.

Seller makes no representation as to the condition of the Assets. Purchaser acknowledges that it is acquiring the Assets "as-is".

This instrument is given as a winding up of the affairs of the Seller.

IN WITNESS WHEREOF, this instrument shall be effective as of the date first above written.

SELLER:

Signed, sealed and delivered in the presence of:

KINCAID HILLS WATER COMPANY
A dissolved Florida corporation

Terry D. Wilkins
Signature

TERRY D. WILKINS
Type/print name of witness

Berdell Knowles
Berdell Knowles, President

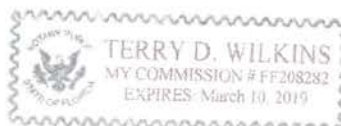
Victoria W. Wilkins
Signature

Victoria W. Wilkins
Type/print name of witness

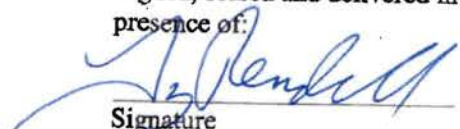
STATE OF FLORIDA
COUNTY OF DAVAL

The foregoing instrument was acknowledged before me this 20 day of February, 2018 by Berdell Knowles, as President of Kincaid Hills Water Company, a dissolved Florida corporation, on behalf of the dissolved corporation as a winding up of its affairs. He is personally known to me or has produced HORADAN, LLC as identification.

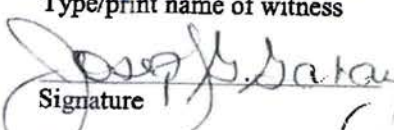
Terry D. Wilkins
Notary Public



Signed, sealed and delivered in the presence of:


Signature

Troy Rendell
Type/print name of witness


Signature

Joseph B. Gabay
Type/print name of witness


BUYER:

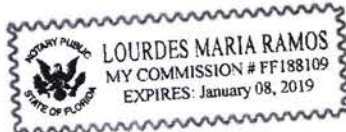
Gator Waterworks, Inc.
A Florida corporation


Gary Deremer, President

STATE OF FLORIDA
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 15 day of February, 2018 by Gary Deremer as President on behalf of said Gator Waterworks, Inc., a Florida corporation. He is personally known to me.


Notary Public



RE: Escrow File #18-031

Kincaid Hills Water Company - conveyance to Gator Waterworks, Inc.

- water treatment plant appurtenant to the utility service district serving Alachua County, Florida, including the subdivisions of Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn

DISCLOSURE AND HOLD HARMLESS

The undersigned purchaser, after full disclosure, has elected to proceed with the closing of the above described transaction, and hereby acknowledges and agrees to hold and save the firm of Booth & Cook, P.A. harmless from any loss or damages and all liability arising from the following matters:

- A. The purchaser is proceeding without the benefit of a title search or an owner's title insurance policy insuring the fee simple and/or easement interests necessary for the operation of the water and/or sewer service district facilities, as may be applicable.
- B. The purchaser is proceeding without the benefit of an updated survey of the lands which are the subject of the captioned transaction, notwithstanding the inability to determine with accuracy whether the necessary access easements and utility system easements are located within the boundaries of any assignment of easement delivered at closing in consummation of the Asset Purchase Agreement between the parties.
- C. The purchaser has elected to proceed with closing without obtaining the consent and subordination of any lender whose mortgage may encumber the underlying fee simple title in and to any beneficial easement interests which are the subject of the captioned transaction.
- D. The purchaser has elected to proceed without obtaining the consent required, if any, of any homeowner's association to the conveyance of the easement interests which are the subject of the captioned transaction.

Dated this 15 day of Feb, 2018

PURCHASER:

Gator Waterworks, Inc.

A Florida corporation



Gary Deremer, President

Closing Certificate
of
Gator Waterworks, Inc.

The undersigned is the President of Gator Waterworks, Inc., a Florida corporation (the "Buyer") and hereby certifies on behalf of the Buyer as follows:

1. The Asset Purchase Agreement dated January 12, 2018 (the "Purchase Agreement") between Kincaid Hills Water Company, a dissolved Florida corporation (the "Utility") and the Buyer, and the deed and conveyance of the real property, the assignment, the bill of sale and other instruments whereby the Assets (as defined in the Purchase Agreement) have been conveyed to Buyer (collectively, the "Conveyance Instruments" and, together with the Purchase Agreement, the "Contracts") have been duly authorized, executed and delivered by the Buyer and constitute the legal, valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

2. The Buyer is not prohibited by decree or law from consummating the transaction contemplated by the Purchase Agreement.

3. There is not pending, or to the knowledge of the Buyer, threatened, any legal action or proceeding that hinders the ability of the Buyer to perform its obligations in compliance with the Contracts.

4. All representations and warranties of the Buyer contained in the Purchase Agreement are true and correct in all material respects as of the date hereof, and the Buyer has complied in all material respects with its covenants under the Purchase Agreement.

Dated: Feb 15, 2018

GATOR WATERWORKS, INC.



Gary Deremer, President

CORPORATION RESOLUTION/INCUMBENCY CERTIFICATE

The undersigned officer(s) of **GATOR WATERWORKS, INC.**, a Florida corporation (the "Company") hereby certify that the Company is a corporation organized and existing under the laws of the State of Florida, having its chief executive office, principal place of business, registered office and registered agent at c/o 4939 Cross Bayou Blvd., New Port Richey, FL 34652; that the following copy is a true and correct copy of the resolution duly adopted at a meeting of the Board of Directors of the Company, held on or about January 12, 2018, that said meeting was duly authorized by the Bylaws of the Company; that the actions taken at such meeting and reflected in said resolution are authorized by the Bylaws of the Company; and that said resolution is now in full force and effect and has not been modified or amended.

WHEREAS, the Company desires to authorize Gary Deremer in his capacity as the President of the Company ("Agent") to enter into and execute for and on behalf of and in the name of the Company the documentation required to effectuate the purchase of the property described on the attached Exhibit "A" (the "Property") without the necessity for consent or joinder of any other person.

NOW THEREFORE, IT IS HEREBY:

RESOLVED, that the Agent is hereby authorized and empowered in the name and on behalf of the Company from time to time as it shall deem appropriate to:

(i) execute on behalf of the Company in such form as may be required by the Closing Agent or Title Insuring Agent and deemed advisable by the Agent, the Closing Statement and such other instruments or documents required as a condition to the consummation of the purchase transaction; and

FURTHER RESOLVED, that the Agent is authorized and directed to execute and deliver in the name and on behalf of the Company any other agreements, certificates or documents as the Agent may consider necessary or appropriate in order to consummate the transaction contemplated in this resolution; and

FURTHER RESOLVED, that the approval and agreement of the Agent and the Company of and to the conditions contained in the agreements, certificates, documents and other instruments executed by the Agent in connection with purchase transaction contemplated in this resolution shall be conclusively established by its execution thereof; and

FURTHER RESOLVED, that the execution by the Agent shall be conclusive evidence of his authority to act on behalf of and in the name of the Company as provided herein; and

THE UNDERSIGNED FURTHER CERTIFY that neither the articles of organization nor the Bylaws of the Company, require, prohibit or limit in any manner the authorization contained herein.

So certified this 15 day of Feb, 2018



William T. Rendell,
Its Secretary and Treasurer

(COMPANY SEAL)

Exhibit "A"

Lot Eighteen (18) and the South One-Half (S 1/2) of Lot Seventeen (17), of BLOCK A, of SHADY LAWN ESTATES, according to the plat thereof recorded in Plat Book "B", Page 14, Public Records of Alachua County, Florida.

AND

The South One-Half (S 1/2) of Lot Twenty Two (22) of KINCAID ROAD SUBDIVISION, as per plat thereof, recorded in Plat Book "E", Page 87, of the Public Records of Alachua County, Florida.

TOGETHER WITH any and all easements or rights to use of the Lands for the existing water system serving Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn subdivisions, whether the same are recorded or unrecorded, so long as the same are beneficial to the existing water system being conveyed by Grantor.

CONTINUATION OF EXHIBIT "A"

TOGETHER WITH all of the Assets described in the Asset Purchase Agreement dated January 12, 2018 between Kincaid Hills Water Company, a dissolved Florida corporation, as Seller, and Gator Waterworks, Inc., a Florida corporation, as Purchaser.

Closing Certificate
of
KINCAID HILLS WATER COMPANY

The undersigned is the President and an authorized signatory on behalf of Kincaid Hills Water Company, a dissolved Florida corporation (the "Seller") and is given incident to a winding up of its affairs, hereby certifies on behalf of the Seller as follows:

1. The Asset Purchase Agreement dated January 12, 2018 (the "Purchase Agreement") between Kincaid Hills Water Company, a dissolved Florida corporation (the "Utility") and Gator Waterworks, Inc., a Florida corporation (the "Buyer" or "Waterworks") and the deed and conveyance of the real property, the assignment, the bill of sale and other instruments whereby the Assets (as defined in the Purchase Agreement) have been conveyed to Buyer (collectively, the "Conveyance Instruments" and, together with the Purchase Agreement, the "Contracts") have been duly authorized, executed and delivered by Seller and constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms.
2. The Conveyance Instruments are effective to convey the Assets purportedly conveyed thereby free and clear of any lien or encumbrance which could reasonably be expected to have a material and adverse effect upon the ability of the Buyer to own or use such Assets as a part of the System.
3. Seller has either (i) caused or made provision for the release of all liens, security interests and other encumbrances other than Permitted Encumbrances and the Conveyance Instruments are effective to convey the Assets purportedly conveyed thereby free and clear of any such lien, security interest or encumbrance, or (ii) disclosed such liens, security interests or encumbrances to Waterworks in writing prior to such conveyance and Waterworks has furnished written acceptance of the same as Permitted Encumbrances.
4. Seller has performed and complied in all material respects with those covenants or obligations required to be performed or complied with under the Agreement that are due as of the date hereof.
5. Seller's representations and warranties in the Agreement (considered collectively), and each of the representations and warranties (considered individually), are accurate in all material respects as of the date hereof.
6. Performance by Seller of its obligations under the Contracts does not and will not violate any law, regulation or ruling of any governmental authority or court having jurisdiction over Seller, any provision of the bylaws or governing and/or organizational documents of Seller, or to my knowledge, any provision of any contract binding upon Seller, the breach of which could reasonably be expected to have a material and adverse effect upon the completion of the Contracts in accordance with their terms.

7. There is no litigation pending, or to my knowledge, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of Seller to perform its obligations in compliance with the Contracts.

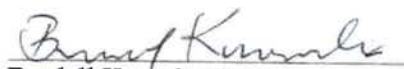
8. All representations and warranties of Seller contained in the Purchase Agreement are true and correct in all material respects as of the date hereof, and Seller has complied in all material respects with its covenants under the Purchase Agreement.

Dated: 2/20/18

SELLER:

Kincaid Hills Water Company

A dissolved Florida corporation


Berdell Knowles, President

RESOLUTION/INCUMBENCY CERTIFICATE

The undersigned Officer(s) of **KINCAID HILLS WATER COMPANY**, a Florida limited liability company (the "Company") hereby certifies that the Company is a dissolved corporation formerly organized and existing under the laws of the State of Florida, having its chief executive office, principal place of business at 3260 S.E. 19TH Ave., Gainesville, FL 32641 and its registered office and registered agent at 1700 S.E. 47 Terr., Gainesville, FL 32601; that the following copy is a true and correct copy of the resolution duly adopted as a winding up of the affairs of the Company at a meeting of the members or governing body of the Company, held on or about January 12, 2018; that said meeting was duly authorized by the organizational documents and bylaws governing the Company; that the actions taken at such meeting and reflected in said resolution are authorized by the organizational documents and/or bylaws of the Company; and that said resolution is now in full force and effect and has not been modified or amended.

WHEREAS, the Company desires to authorize Berdell Knowles in his capacity as President of the Company ("Agent") to enter into and execute for and on behalf of and in the name of the Company as a winding up of its affairs the documentation required to effectuate the sale of the property described on the attached Exhibit "A" (the "Property") without the necessity for consent or joinder of any other person.

NOW THEREFORE, IT IS HEREBY:

RESOLVED, that the Agent is hereby authorized and empowered in the name and on behalf of the Company from time to time as it shall deem appropriate to:

(i) execute on behalf of the Company in such form as may be required by the Closing Agent or Title Insuring Agent and deemed advisable by the Agent, the Closing Statement and such other instruments or documents required as a condition to the consummation of the sale transaction; and

FURTHER RESOLVED, that the Agent is authorized and directed to execute and deliver in the name and on behalf of the Company any other agreements, certificates or documents as the Agent may consider necessary or appropriate in order to consummate the transaction contemplated in this resolution; and

FURTHER RESOLVED, that the approval and agreement of the Agent and the Company of and to the conditions contained in the agreements, certificates, documents and other instruments executed by the Agent in connection with purchase transaction contemplated in this resolution shall be conclusively established by its execution thereof; and

FURTHER RESOLVED, that the execution by the Agent shall be conclusive evidence of his authority to act on behalf of and in the name of the Company as provided herein; and

THE UNDERSIGNED FURTHER CERTIFY that neither the articles of organization nor the operating agreement, if any, of the Company, require, prohibit or limit in any manner the authorization contained herein.

So certified this 20th day of February, 2018

Denelle Knowles, President (sole share
holder)
Secretary
On behalf of Kincaid Hills Water Company

(COMPANY SEAL)

Unanimous consent to the sale of substantially all of the assets of
Kincaid Hills Water Company by all of its Shareholders:

N/A
Name:
Shareholder

N/A
Name:
Shareholder

N/A
Name:
Shareholder

Exhibit "A"

Lot Eighteen (18) and the South One-Half (S 1/2) of Lot Seventeen (17), of BLOCK A, of SHADY LAWN ESTATES, according to the plat thereof recorded in Plat Book "B", Page 14, Public Records of Alachua County, Florida.

AND

The South One-Half (S 1/2) of Lot Twenty Two (22) of KINCAID ROAD SUBDIVISION, as per plat thereof, recorded in Plat Book "E", Page 87, of the Public Records of Alachua County, Florida.

TOGETHER WITH any and all easements or rights to use of the Lands for the existing water system serving Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn subdivisions, whether the same are recorded or unrecorded, so long as the same are beneficial to the existing water system being conveyed by Grantor.

CONTINUATION OF EXHIBIT "A"

TOGETHER WITH all of the Assets described in the Asset Purchase Agreement dated January 12, 2018 between Kincaid Hills Water Company, a dissolved Florida corporation, as Seller, and Gator Waterworks, Inc., a Florida corporation, as Purchaser.

**ASSIGNMENT AND ASSUMPTION OF PERMITS
AND GOVERNMENTAL APPROVALS**

THIS ASSIGNMENT AND ASSUMPTION OF PERMITS AND GOVERNMENTAL APPROVALS (this "Assignment") is made and entered into this 20 day of Feb, 2018, by and between KINCAID HILLS WATER COMPANY, a dissolved Florida corporation ("Assignor") and GATOR WATERWORKS, INC., a Florida corporation ("Assignee").

WITNESSETH:

WHEREAS, Assignor has as of this date conveyed to Assignee, pursuant to that certain Asset Purchase Agreement dated January 12, 2018 (the "Purchase Agreement"), all of the real and personal property, both tangible and intangible, which comprise the Assets. All capitalized terms not defined herein shall have the meaning(s) ascribed to them in the Purchase Agreement; and

WHEREAS, included within the Assets which Assignor intends to convey to Assignee, and Assignee intends to accept, are all of Assignor's certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds and all rights to construct, maintain and operate the Utility System and its plants and systems, and every right of every character whatsoever in connection therewith, and the obligations thereof; together with all rights granted to Assignor under any of the foregoing, made available by or under the authority of any governmental body or pursuant to any legal requirement, identified on Exhibit "A" attached hereto and made a part hereof (collectively the "Permits").

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and agreements contained herein, together with \$10.00 and other good and valuable consideration exchanged between the parties, the parties do undertake, promise and agree for themselves, their permitted successors and assigns as follows:

1. Assignor hereby conveys and assigns unto Assignee, its successors and assigns, all right, title and interest of Assignor in the Permits except as otherwise set forth in paragraph 1.2 (a) through (d) of the Purchase Agreement; provided, however, that other than as contained in the Purchase Agreement, Assignor makes no representation or warranty that the Permits are legally sufficient.

2. Except as otherwise set forth in paragraph 1.2 (a) through (d) of the Purchase Agreement, Assignee hereby accepts the transfer and assignment of the Permits as set forth in Paragraph 1 herein, and assumes the performance, obligations, duties and liabilities of Assignor under such Permits as of the date hereof. As of the date of this Agreement, and pursuant to the Purchase Agreement, Assignor's obligations and responsibilities to act under such Permits shall cease and terminate and Assignor shall have no further liabilities or obligations with respect to the Permits, except for those obligations and responsibilities which accrued prior to the date of this Assignment. Assignor makes no representations, warranties or covenants concerning the Permits other than those set forth in the Purchase Agreement.

3. Assignor covenants and agrees with Assignee and its successors and assigns that Assignor will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered any and all such further acts, instruments, papers and documents, as may be necessary, property or convenient, to carry out and effectuate the intent and purposes of this Assignment.

4. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee and their successors and assigns. This Assignment is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

5. This Assignment shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of Florida applicable to contracts made and to be performed within said State. Nothing herein shall be construed to waive any defense of sovereign immunity that Assignee may be lawfully entitled to assert under applicable Florida law.

6. If any term or provision of this Assignment shall, to any extent or for any reason, be held to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and shall be construed as if such invalid or unenforceable provision had never been contained herein or been applicable in such circumstances.

7. This Assignment incorporates the Purchase Agreement and by reference all definitions, terms, provisions, conditions and limitations set forth therein. In the event of any conflict or inconsistency between the Purchase Agreement and the definitions, terms, provisions, conditions and limitations set forth therein and those which are set forth in this Assignment, the definitions, terms, provisions, conditions and limitations set forth in the Purchase Agreement shall supersede and prevail.

8. This instrument is given as a winding up of the affairs of the Assignor.

[signature pages follow]

Signed, sealed and delivered in the presence of:

Terry D. Wilkins
Signature

TERRY D. WILKINS
Type/print name of witness

Victoria W. Wilkins
Signature

Victoria W. Wilkins
Type/print name of witness

STATE OF FLORIDA
COUNTY OF DEVAL

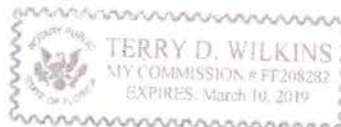
The foregoing instrument was acknowledged before me this 20 day of February, 2018 by Berdell Knowles, as President and authorized signatory on behalf of said Kincaid Hills Water Company, a Florida corporation, as a winding up of its affairs. He is personally known to me or has produced FLORIDA DRIV. LIC as identification.

Terry D. Wilkins
Notary Public


ASSIGNOR:

Kincaid Hills Water Company
A dissolved Florida corporation

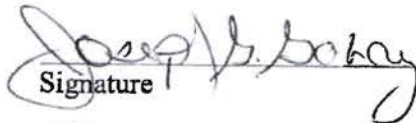
Berdell Knowles
Berdell Knowles, President



Signed, sealed and delivered in the
presence of:


Signature

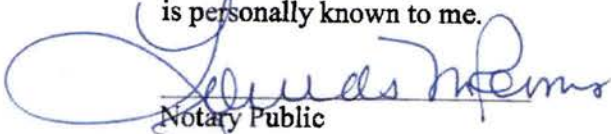
Troy Renell
Type/print name of witness

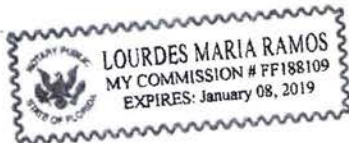

Signature

Joseph G. Gabay
Type/print name of witness

STATE OF FLORIDA
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 15 day of February, 2018
by Gary Deremer as President on behalf of said Gator Waterworks, Inc., a Florida corporation. He
is personally known to me.


Notary Public



ASSIGNEE:

Gator Waterworks, Inc.
A Florida corporation


Gary Deremer, President

Exhibit "A"
Permits

All existing permits and governmental approvals, to the extent they are assignable, relating to the water system(s) presently serving the area designated as Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn, including the following:

PWS 2010612

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

- (1) A detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided; and,**
- 2. A list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements;**

The systems were purchased with Shareholder's cash. The utility, Gator Waterworks, Inc. was incorporated in the State of Florida on January 16, 2018, as such there are no financial statements of the utility. There are no other "entities" upon which the applicant is relying to provide funding to the buyer. The financial statements would be the individual shareholder's personal financial information. The financial statements for owners greater than 10% ownership interest will be supplied under separate cover letter requesting confidential treatment of such information.

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

To demonstrate the technical ability of the buyer to provide service, the buyer shall provide:

- 1. An explanation of the buyer's experience in the water or wastewater industry; and,**
- 2. The buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities;**

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

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

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

Gator Waterworks, Inc. has secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection services. Through U.S. Water Services Corporation, Mr. Deremer has controlled service delivery to more than 850+ facilities within the State of Florida during their careers, including billing/collection and customer service, providing water service to more than 1,000,000 customers daily.

Currently, the shareholder of Gator Waterworks, Inc. is also majority shareholder in the following utilities:

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

The Woods Utility Company	507-W & 441-S
Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W
Black Bear Waterworks, Inc.	654-W
Pine Harbour Waterworks, Inc.	450-W
Merritt Island Utility Company	137-S
Seminole Waterworks, Inc.	Pending Approval

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

In addition, the shareholder currently has a application for transfer of certificate pending before the Commission in Docket No. 160058-SU, North Charlotte Waterworks, Inc.

Thus, based on the above this transfer is in the public interest; the buyer has both the technical and financial ability to provide service.

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

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

A legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.;

Legal Description for the Water System in Alachua County

WATER LEGAL DESCRIPTION

The following described lands located in portions of Sections 11 and 12, Township 10-South, Range 20-East, Alachua County, Florida:

Kincaid Road Subdivision - A subdivision lying within the southwest one-quarter of Section 11, Township 10 South, Range 20 East; encompassed within the boundary commencing 2,280 feet north of the southwest corner of Section 11, Township 10 South, Range 20 East and on the eastern side of Florida Highway S-329A; thence running 1,880 feet east (to Southeast 33rd St.); thence running 600 feet south (to Southeast 18th Ave.); thence running 570 feet east (to Southeast 35th Street); thence running 600 feet south (to Southeast 21st Ave.); thence running 2450 feet west to Florida Highway S-329A; thence running 600 feet north (to Southeast 18th Ave.).

Devonshire Hills Subdivision - A subdivision lying within the northeast one-quarter of Section 11, Township 10 South, Range 20 East; encompassed within the boundary commencing at the point that is 600 feet northwest of the point on the western boundary of Section 12, Township 10 South, Range 20 East where it intersects Florida Highway 20; thence running 1,310 feet south (to Southeast 18th Ave.); thence running 1,100 feet east; thence running 300 feet north (to Southeast 17th Ave.); thence running 550 feet west (to Southeast 37th St.); thence running 540 feet north (to Southeast 15th Ave.); thence running 200 feet west (to Southeast 36th St.); thence running 560 feet north to Florida Highway 20; thence running 200 feet northwest along, and south of, Florida Highway 20.

Kreftwood Estates Subdivision - A subdivision lying within the southwest one-quarter of Section 12, Township 10 South, Range 20 East; encompassed within the boundary commencing at the southwest corner of Section 12, Township 10 South, Range 20 East; thence running 1,800 feet north to Florida Highway 20; thence running 750 feet southeast along the southern side of Florida Highway 20 to the northwest corner of the Shady Lawn subdivision (described below); thence running 1,350 feet south to Section 13, Township 10 south, Range 20 East; thence running 575 feet west to the southwest corner of Section 12, Township 10 South, Range 20 East.

Shady Lawn Estates - A subdivision lying within the southwest one-quarter of Section 12, Township 10 South, Range 20 East; encompassed within the boundary commencing at the northeast corner of the Kreftwood Estates subdivision (described above); thence running 750 feet southeast along the southern side of Florida Highway 20; thence running 1,200 feet south to Section 13, Township 10 South, Range 20 East; thence running 575 feet west to the southeast corner of the Kreftwood Estate subdivision (described above).

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

Provide a statement explaining why the transfer is in the public interest.

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

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

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

Gator Waterworks, Inc. has secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection services. Through U.S. Water Services Corporation, Mr. Deremer has controlled service delivery to more than 850+ facilities within the State of Florida during their careers, including billing/collection and customer service, providing water service to more than 1,000,000 customers daily.

Currently, the shareholder of Gator Waterworks, Inc. is also majority shareholder in the following utilities:

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Lake Osborne Utility Company	053-W
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S
Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W

Black Bear Waterworks, Inc.	654-W
Pine Harbour Waterworks, Inc.	450-W
Merritt Island Utility Company	137-S
Seminole Waterworks, Inc.	Pending FPSC Approval

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

In addition, the shareholder currently has a application for transfer of certificate pending before the Commission in Docket No. 160058-SU, North Charlotte Waterworks, Inc.

Gator Waterworks, Inc. is a Florida corporation authorized to do business in Florida as of January 16, 2018. Gator Waterworks has both the technical and financial wherewithal to continue quality water and wastewater service to its customers. The purchasing utility has both the technical and financial ability to make necessary repair and improvements to the water and wastewater systems and ensure the financial viability on an ongoing basis.

Thus, based on the above this transfer is in the public interest; the buyer has both the technical and financial ability to continue to provide quality water service to its customers. The previous owner (Seller) has a history of non-compliance with both the FPSC and FDEP in the past.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings
against Kincaid Hills Water Company, in
Alachua County, for noncompliance with
Sections 350.113, 350.117, 367.121, and
367.145, Florida Statutes, and Rules 25-
30.110, 25-30.120, 25-30.355, and 25-22.032,
Florida Administrative Code.

DOCKET NO. 20170200-WU
ORDER NO. PSC-2017-0470-PCO-WU
ISSUED: December 15, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISE
DONALD J. POLMANN
GARY F. CLARK

ORDER DIRECTING COMMISSION STAFF TO INITIATE
CERTIFICATE REVOCATION PROCEEDINGS

BY THE COMMISSION:

Background

Our staff opened the instant docket to initiate show cause proceedings against Kincaid Hills Water Company (Kincaid or Utility) for apparent violations of Florida Statutes (F.S.) and Commission rules for: (1) its failure to remit payment of its annual Regulatory Assessment Fees (RAFs) for the years 2008, 2009, 2012, 2013, and 2016; (2) its failure to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013; and (3) its failure to respond to customer complaints and to provide a written response to our staff regarding customer complaints.

Kincaid is a Class C water utility providing service in Alachua County. Kincaid became subject to this Commission's jurisdiction and was granted a grandfather water certificate in 1993.¹ The following information provides a historical overview of this Commission's activities related to Kincaid.

After failing to submit its Annual Reports for 1994 through 1996, we initiated an enforcement proceeding against Kincaid for violations of Rule 30.110, Florida Administrative

¹Order No. PSC-93-1027-FOF-WU, issued July 13, 1993, in Docket No. 921195-WU, In re: Application for certificate to provide water service in Alachua County under grandfather rights by Kincaid Hills Water Company.

Code (F.A.C.) (1997 Proceeding), and we ordered Kincaid to show cause why it should not be penalized \$2,628 for failing to submit its Annual Reports.² Kincaid failed to respond to our Order, and we assessed Annual Report penalties.³ After several failed attempts by our staff to contact Kincaid to collect the Annual Report penalty, we submitted the penalty to the Florida Department of Financial Services (DFS) to be written-off as uncollectible.⁴

In 2004, after failing to submit RAFs for the years 1995 through 2003 and failing to submit Annual Reports for the years 1998 through 2003, we initiated an enforcement proceeding against Kincaid for alleged violations of Section 350.113, F.S., and Rules 25-30.110 and 25-30.120, F.A.C. (2004 Proceeding).⁵ In an effort to work with Kincaid to resolve its non-compliance issues, and because Kincaid made an effort to cooperate with our staff and submitted all of the delinquent Annual Reports for 1998-2003, we declined to order Kincaid to show cause or assess fines against Kincaid for failing to submit RAFs and Annual Reports.⁶ Instead, we approved a payment plan submitted by Kincaid to pay the RAFs, plus statutory penalty and interest, that it owed for the years 1995 to 2003.⁷ In addition, Kincaid was put on notice that failure to timely submit RAFs and Annual Reports in the future or comply with any Commission orders would result in further enforcement action.

Kincaid again failed to submit RAFs and Annual Reports the year after the 2004 Proceeding, as well as the following two years. Kincaid made several payments toward the RAF amounts owed pursuant to the payment plan approved by Order No. PSC-04-0615-FOF-WU between June 2004 and January 2006, then ceased submitting payments.⁸ After failing to submit RAFs and Annual Reports for 2004, 2005, and 2006, failing to submit payments pursuant to the approved payment plan, and failing to respond to our staff's attempts to collect the amounts owed, we initiated another enforcement proceeding against Kincaid in 2007 for violations of

² Order No. PSC-98-0737-SC-WU, issued on May 28, 1998, in Docket No. 971623-WU, In Re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110(3), F.A.C., Records and Reports; Annual Reports.

³ See, Docket No. 971623-WU.

⁴ See, Document No. 10810-98, in Docket No. 971623-WU.

⁵ Docket No. 040248-WU, In re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities.

⁶ Order No. PSC-04-0615-FOF-WU, issued June 21, 2004, in Docket No. 040248-WU, In re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities.

⁷ This Commission found the total amount of delinquent RAFs, penalty and interest, owed by Kincaid for years 1995-2003, to be \$29,231.42. See Order No. PSC-04-0615-FOF-WU.

⁸ Between June 2004 and January 2006, Kincaid submitted \$12,000.00 of the total \$29,231.42 owed. \$10,903.86 was applied to past due RAF principals and \$1,096.14 to penalty and interest, which paid the entire RAF principal amounts owed for the years 1995 through 1999, and \$1,410.92 of the \$1,808.33 RAF principal owed for the year 2000.

Section 350.113, F.S., and Rules 25-30.110 and 25-30.120, F.A.C., and Order No. PSC-04-0615-FOF-WU (2007 Proceeding).⁹

At the time we initiated the 2007 Proceeding, Kincaid had serious compliance issues with the Florida Department of Environmental Protection (DEP), as well as the United States Environmental Protection Agency (EPA). Despite finding “a continued pattern of disregard for the directions, orders, and rules of this Commission,” and “a continued pattern of disregard for the timely payment of RAFs,” we again declined to order Kincaid to show cause, finding “exigent and mitigating circumstances” existed.¹⁰ At that time, we reasoned that assessing additional penalties and requiring Kincaid to pay its delinquent RAFs and assessing Annual Report penalties would only further impair Kincaid’s financial viability and its ability to address the DEP and EPA compliance issues.¹¹ Therefore, we ordered the outstanding RAF amounts, including penalty and interest, owed by Kincaid for the years 1995 through 2006, be submitted to DFS to be written-off as uncollectible.¹² Kincaid was put on notice that “failure to timely file future annual reports will subject it to the penalties authorized by Rule 25-30.110(7), F.A.C., and to show cause proceedings and fines of up to \$5,000 per day per violation for each day the violation continues, as set forth in Section 367.161, F.S., or revocation proceedings pursuant to Section 367.161(2), F.S.”¹³ In addition, we found Kincaid eligible for a Staff-Assisted Rate Case (SARC). Finally, we ordered the 2007 Proceeding to remain open until Kincaid filed its SARC application, and ordered our staff to bring a recommendation to us should Kincaid fail to timely submit RAFs during the pendency of its SARC.¹⁴

In April 2008, Kincaid notified our staff that it would not pursue a SARC due to customer dissatisfaction expressed after Kincaid implemented rate increases.¹⁵ Between June 2007 and April 2008, Kincaid received two price-index increases and a 4.5% pass-through increase, which allowed Kincaid to recover RAFs in its rates going forward. With those increases, Kincaid stated it could meet its obligations to pay RAFs and maintain Kincaid without a SARC.¹⁶ By Order No. PSC-08-0386-FOF-WU, we ordered the 2007 Proceeding closed based on Kincaid submitting its 2007 RAFs¹⁷ and receiving the index and pass-through increases.¹⁸

⁹ Docket No. 070580-WU, In re: Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.

¹⁰ Order No. PSC-08-0044-FOF-WU, issued January 22, 2008, in Docket No. 070580-WU, pages 9 and 11.

¹¹ This Commission noted that “further collection efforts may cause the utility to abandon the system or cause it to be unable to make necessary repairs or maintain the safe provision of quality water to the customers of Kincaid.” *Id.*, at pages 10 and 12; This Commission noted that, “in the last five months, the utility has worked diligently to pay off the 2004-2006 RAFs and has now filed all of its Annual Reports. Because of its financial problems and the need for maintenance, the utility has had problems with timely filing its Annual Reports and could not afford an accountant to assist it in such filing.” *Id.*, at page 13.

¹² Total amount to be written-off was \$24,166.29. *Id.*, at pages 10 and 12.

¹³ *Id.*

¹⁴ *Id.*, at page 14.

¹⁵ Document No. 04657-08, filed in Docket No. 070580-WU.

¹⁶ Order No. PSC-08-0386-FOF-WU, issued June 10, 2008, in Docket No. 070580-WU, page 2.

¹⁷ Kincaid submitted its 2007 RAFs three days late and, was, therefore, assessed an additional \$139.05, for statutory penalty and interest that accrued. Kincaid submitted the \$139.05 penalty on May 1, 2008.

Kincaid again failed to submit its RAFs for 2008, as well as for the years 2009, 2010, 2011, 2012, and 2013. Additionally, Kincaid again failed to submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013.¹⁹ Kincaid also failed to respond to our staff's repeated attempts to contact Kincaid by telephone, mail, and email.²⁰ In June 2014, Kincaid's owner, Mr. Berdell Knowles, Sr., finally responded to our staff regarding Kincaid's outstanding RAFs, outstanding Annual Reports, and payment options. Mr. Knowles, Sr. agreed to submit Kincaid's outstanding Annual Reports and RAF returns, along with an initial RAF payment, by June 30, 2014.²¹ In addition, Mr. Knowles, Sr. was advised that we could pursue further compliance action if Kincaid did not comply with a RAF payment plan.²² Mr. Knowles, Sr. failed to submit Kincaid's 2008-2013 RAF returns or an initial RAF payment, and failed to submit Kincaid's 2009-2013 Annual Reports by June 30, 2014, as agreed, and again failed to respond to our staff's attempts to contact Kincaid.

In October 2014, due to Commission staff's continued inability to contact Mr. Knowles, Sr., our staff communicated with the DEP staff assigned to Kincaid's compliance issues and obtained the contact information for Mr. Berdell Knowles, Jr., a corporate officer of Kincaid.²³ On October 20, 2014, our staff spoke with Mr. Knowles, Jr. regarding Kincaid's delinquent RAF and Annual Report status, the lack of cooperation by Mr. Knowles, Sr. to engage in discussions with our staff, and Kincaid's corporate and financial status. On October 23, 2014, our staff held a conference call with Mr. Knowles, Jr., wherein Mr. Knowles, Jr. agreed to an initial compliance action plan to resolve Kincaid's compliance issues.²⁴ Mr. Knowles, Jr. agreed to submit all of Kincaid's delinquent Annual Reports for years 2009-2013, as well as the RAF amounts owed for the years 2010 and 2011, plus penalty and interest, by November 7, 2014.²⁵ As part of the initial compliance plan, Kincaid also agreed to continue working with our staff regarding payment of the remaining RAF amounts owed, to consider pursuing a SARC, and to submit future RAFs and Annual Reports timely.²⁶

On November 14, 2014, we received Kincaid's payment in the amount of \$8,690.15, which satisfied the outstanding RAF amounts owed by Kincaid for 2010 and 2011.²⁷ On November 14, 2014, we also received Kincaid's Annual Reports for 2009-2013.²⁸ On February

¹⁸ Order No. PSC-08-0386-FOF-WU.

¹⁹ Kincaid's 2008 Annual Report was received 22 days late, on April 22, 2009.

²⁰ Attachment A, Exhibit A (Commission Staff Correspondence re: Kincaid Delinquent RAFs and Annual Reports).

²¹ Attachment A, Exhibit A (Staff Email, dated June 17, 2014, RE: Kincaid Hills Water Company WU690 – First Collections Delinquent RAFs.)

²² Id.

²³ Attachment A, Exhibit B (Kincaid Florida Corporate Information).

²⁴ Attachment A, Exhibit C (Commission Staff Correspondence re: Kincaid Compliance Plan).

²⁵ Attachment A, Exhibit C (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Initial Compliance Plan.)

²⁶ Id.

²⁷ The payment was postmarked November 7, 2014. The payment breakdown was as follows: \$4,491.55 (2010 RAFs \$2,642.09 + Penalty \$660.52 + Interest \$1,188.94); and \$4,198.60 (2011 RAFs \$2657.34 + Penalty \$664.34 + Interest \$876.92)

²⁸ Kincaid emailed its 2009-2013 Annual Reports to staff on November 7, 2014; however, Rule 25-30.110, F.A.C., requires reports be certified and submitted to this Commission in paper form. Our staff received the paper form of the Annual Reports on November 14, 2014. See Attachment A, Exhibit C (Staff Emails with Mr. Knowles, Jr., re:

16, 2015, our staff held a conference call with Kincaid (Mr. Knowles, Sr. and Mr. Knowles, Jr. both participated), wherein Kincaid agreed to resolve its compliance issues, including negotiation of payment options for its past due RAFs, to submit future RAFs and Annual Reports timely, to pursue a SARC, and to update its corporate status with the Florida Secretary of State, Division of Corporations.²⁹ Since submitting the \$8,690.15 payment, however, Kincaid failed to meet the requirements of the initial compliance plan as agreed. Although Kincaid submitted its 2014, 2015, and 2016 Annual Reports timely, Kincaid failed to meet the other requirements of the initial compliance plan.³⁰ Specifically, Kincaid failed to: (1) submit additional payments toward its remaining years of delinquent RAFs; (2) continue to work with Commission staff regarding repayment of its remaining years of delinquent RAFs; (3) update its corporate status with the Florida Secretary of State, Division of Corporations; (4) apply for a SARC; and (5) submit its 2016 RAFs.³¹

Our staff received customer complaints regarding Kincaid on October 13, 2016, March 30, 2017, and May 8, 2017. To date, Kincaid has not responded to these customer complaints, nor has Kincaid provided a written response to our staff on each complaint, as required by Rules 25-30.355 and 25-22.032, F.A.C.

By certified letter, dated July 31, 2017, our staff notified Kincaid of apparent violations of Sections 350.113, 350.117, 367.121, and 367.145, F.S., and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, F.A.C., and possible initiation of a show cause proceeding against the Utility for: (1) failing to remit payment of its annual RAFs for the years 2008, 2009, 2012, 2013, and 2016; (2) failing to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013; and (3) failing to respond to customer complaints and to provide a written response to our staff regarding customer complaints.³² Kincaid's owner, Mr. Knowles, Sr., was informed in that letter that Section 367.161, F.S., provides in pertinent part:

- (1) If any utility, by any authorized officer, agent, or employee, knowingly refuses to comply with, or willfully violates, any provision of this chapter or any lawful rule or order of the commission, such utility shall incur a penalty for each such offense of not more than \$5,000, to be fixed, imposed, and collected by the commission . . . Each day that such refusal or violation continues constitutes a separate offense. Each penalty shall be a lien upon the real and personal property of the utility, enforceable by the commission as statutory liens under chapter 85.
- (2) The commission has the power to impose upon any entity that is subject to its jurisdiction under this chapter and that is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the commission or any provision of this chapter a penalty for each offense of

Kincaid Hills - Received Delinquent Annual Reports & 2010-11 RAF Payment; and Staff Emails with Mr. Knowles, Jr., re: Kincaid Hills - Annual Reports Insufficient.).

²⁹ See Attachment A, Exhibit C (Staff Emails with Mr. Knowles, Jr., RE: Kincaid Hills – Rate Case & RAFs.).

³⁰ See Attachment A, Exhibits B and C.

³¹ See Attachment A, Exhibits B and C.

³² See Attachment A.

not more than \$5,000, which penalty shall be fixed, imposed, and collected by the commission; or the commission may, for any such violation, amend, suspend, or revoke any certificate of authorization issued by it. Each day that such refusal or violation continues constitutes a separate offense. Each penalty shall be a lien upon the real and personal property of the entity, enforceable by the commission as a statutory lien under chapter 85.

The July 31, 2017, letter put Kincaid on notice that our staff would open a docket to initiate a show cause proceeding if Kincaid did not correct the violations by remitting payment of the delinquent RAFs, remitting payment for penalties for late-filed Annual Reports, and submitting written responses to the customer complaints and our staff by August 31, 2017. Our staff further notified Kincaid that should the Utility ultimately be found in violation of our statutes, rules, or orders, we may impose fines of up to \$5,000 per violation, for each day each violation continues, including levying a statutory lien upon the real and personal property of the Utility, or we may amend, suspend, or revoke Kincaid's certificate, pursuant to Section 367.161, F.S. Additionally, our staff stated that, if necessary, we may also seek injunctive or other appropriate relief in circuit court to compel Kincaid's compliance, pursuant to Section 367.121, F.S. To date, Kincaid has not remitted payment of the delinquent RAFs, remitted payment for penalties for late-filed Annual Reports, or submitted written responses to the customer complaints and our staff, in response to our staff's letter.

By certified letter, dated September 28, 2017, our Office of the General Counsel notified Kincaid that Commission staff opened a docket initiating a show cause proceeding for the Utility's apparent statute and rule violations.³³

This Order addresses: (1) Kincaid's apparent violation of Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., for failure to submit RAFs for the years 2008, 2009, 2012, 2013, and 2016; (2) Kincaid's apparent violation of Section 367.121, F.S., and Rule 25-30.110, F.A.C., for failure to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013; and (3) Kincaid's apparent violation of Rules 25-30.355 and 25-22.032, F.A.C., for failing to respond to customer complaints.

We have jurisdiction pursuant to Sections 350.113, 367.121, 367.145, and 367.161, F.S.

Decision

Applicable Law

Pursuant to Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., each regulated company under our jurisdiction shall pay to this Commission a RAF based upon the gross operating revenues for the prior year operating period. Rule 25-30.120, F.A.C., requires that utilities pay a regulatory assessment fee of 4.5 percent of its gross revenues derived from intrastate business, or a minimum of \$25.00 if there are no revenues or if revenues are

³³ See Document No. 07952-2017, in Docket No. 20170200-WU.

insufficient to generate above the \$25.00 minimum. Section 350.113(4), F.S., provides for a penalty of 5 percent for the first 30 days, and an additional penalty of "5 percent for each additional 30 days or fraction thereof during the time in which the failure continues, not to exceed a total penalty of 25 percent," and states that "the commission shall collect the fee and penalty, plus interest and all costs of collection, from the regulated company." Section 367.145(1)(b), F.S., states that, in addition to the penalties and interest otherwise provided, we may impose a penalty upon a utility for failure to pay regulatory assessment fees in a timely manner in accordance with Section 367.161, F.S. Further, Rule 25-30.120(7)(b), F.A.C., provides that, in addition to statutory penalties and interest, we may impose an additional penalty upon a utility for failing to pay RAFs timely, pursuant to Section 367.161, F.S.

Section 367.121(1)(c) and (i), F.S., authorizes us to require utilities subject to our jurisdiction to file such regular financial reports we deem necessary. Rule 25-30.110(3)(a), F.A.C., provides that each utility under our jurisdiction shall file an Annual Report on or before March 31st, for the preceding year ending December 31. The standard penalty for delinquent Annual Reports is \$3 per day, pursuant to Rule 25-30.110(7), F.A.C.

Rule 25-30.355, F.A.C., requires that a utility make a full and prompt acknowledgment and investigation of all customer complaints and respond fully and promptly to all customer requests. Further, Rule 25-22.032(6)(b), F.A.C., requires that a utility respond to a customer complaint received by this Commission by contacting the customer within 15 working days after receiving the complaint from our staff, and provide a written response to the complaint to our staff within 15 working days after receiving the complaint from our staff.

Pursuant to Section 367.161(1), F.S., we are authorized to impose upon any entity subject to our jurisdiction a penalty of not more than \$5,000 for each such day a violation continues, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of this Commission, or any provision of Chapter 367, F.S. Each day a violation continues is treated as a separate offense. Each penalty is a lien upon the real and personal property of the utility and is enforceable by us as a statutory lien. If a penalty is also assessed by another state agency for the same violation, our penalty will be reduced by the amount of the other agency's penalty. As an alternative to the above remedies, Section 367.161(2), F.S., permits us to amend, suspend, or revoke a utility's certificate for any such violation. Part of the determination we must make in evaluating whether to penalize a utility is whether the utility willfully violated the rule, statute, or order. Section 367.161, F.S., does not define what it is to "willfully violate" a rule or order. Willfulness is a question of fact.³⁴ The plain meaning of "willful" typically applied by the Courts in the absence of a statutory definition is an act or omission that is done "voluntarily and intentionally" with specific intent and "purpose to violate or disregard the requirements of the law."³⁵ We note that we must follow very specific noticing requirements set forth in Section 120.60, F.S., prior to revocation or suspension of a certificate.

³⁴ Fugate v. Fla. Elections Comm'n, 924 So. 2d 74, 75 (Fla. 1st DCA 2006), citing, Metro. Dade County v. State Dep't of Env'tl. Prot., 714 So. 2d 512, 517 (Fla. 3d DCA 1998).

³⁵ Fugate at 76.

Factual Allegations

Our records indicate that for purposes of this order, Kincaid failed to submit RAFs for the years 2008, 2009, 2012, 2013, and 2016.³⁶ Kincaid has a long history of failing to submit RAFs, and has had two enforcement proceedings brought by this Commission in 2004 and 2007 for failing to submit RAFs.³⁷ In fact, since coming under our jurisdiction in 1993, Kincaid has only submitted RAFs timely two times (2014 and 2015).³⁸ Despite the numerous attempts by this Commission and our staff over the last 13 years to work with Kincaid to resolve its RAF compliance issues, Kincaid has repeatedly failed to comply with its statutory and regulatory obligations.

Because Kincaid failed to submit its 2008, 2009, 2012, 2013, and 2016 RAFs timely, statutory penalties and interest are also due. The total amount owed by Kincaid for 2008, 2009, 2012, 2013, and 2016 RAFs, plus associated penalties and interest, calculated through November 7, 2017, is \$22,403.19. A breakdown of the amount is shown in Table 1 below.

Table 1: Summary of RAF Penalties as of 11/07/17

Year³⁹	Revenues	RAFs (4.5%)	Penalty (25%) (As of 11/07/17)	Interest (1%) (As of 11/07/17)	Payments	Total Due (As of 11/07/17)
2016	\$44,593.00	\$2,006.69	\$501.67	\$160.54	\$0.00	\$2,668.90
2015	\$44,451.00	\$2000.30	\$0.00	\$0.00	\$2000.30	\$0.00
2014	\$48,840.00	\$2,197.80	\$0.00	\$0.00	\$2,197.80	\$0.00
2013	\$49,756.00	\$2,239.02	\$559.76	\$985.17	\$0.00	\$3,783.95
2012	\$58,535.00	\$2,634.08	\$658.52	\$1,501.43	\$0.00	\$4,794.03

³⁶ Kincaid submitted its 2010 and 2011 RAFs, plus penalty and interest, on November 14, 2014, as part of on-going compliance/settlement negotiations with our staff.

³⁷ Docket No. 040248-WU, In Re: Initiation of show cause proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and Docket No. 070580-WU, In Re: Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.

³⁸ Kincaid submitted its 2007 RAFs three days late and paid the associated penalty and interest.

³⁹ Kincaid remitted payment of its 2010 and 2011 RAFs, including penalty and interest, on November 14, 2014. Additionally, Kincaid timely submitted its 2014 and 2015 RAFs.

Year³⁹	Revenues	RAFs (4.5%)	Penalty (25%) (As of 11/07/17)	Interest (1%) (As of 11/07/17)	Payments	Total Due (As of 11/07/17)
2011	\$59,052.00	\$2,657.34	\$664.34	\$876.92	\$4,198.60	\$0.00
2010	\$58,713.00	\$2,642.09	\$660.52	\$1,188.94	\$4,491.55	\$0.00
2009	\$60,274.00	\$2,712.33	\$678.08	\$2,522.47	\$0.00	\$5,912.88
2008	\$50,661.00	\$2,279.75	\$569.94	\$2,393.74	\$0.00	\$5,243.43
Totals	\$474,875.00	\$21,369.40	\$4,292.83	\$9,629.21	\$12,888.25	\$22,403.19

Additionally, a review of our records also indicates that Kincaid has repeatedly failed to timely submit its Annual Reports. At issue in this order are the 2009, 2010, 2011, 2012, and 2013 Annual Reports. In 2009, the Annual Report was submitted 1,689 days late. In 2010, the Annual Report was submitted 1,324 days late. In 2011, the Annual Report was submitted 958 days late. In 2012, the Annual Report was submitted 593 days late. In 2013, the Annual Report was submitted 228 days late. Since coming under our jurisdiction in 1993, Kincaid has only submitted five Annual Reports on time (1997, 2007, 2014, 2015, 2016).⁴⁰

The total penalty amount owed by Kincaid for failing to timely submit its Annual Reports for the years 2009 to 2013 is \$14,376. A breakdown of the amount is shown in Table 2 below.

Table 2: Summary of Annual Report Penalties

YEAR	DATE DUE	DATE SUBMITTED	DAYS LATE	PENALTY (\$3 per day)
2013	03/31/2014	11/14/2014	228	\$684.00
2012	04/01/2013	11/14/2014	593	\$1,779.00
2011	04/02/2012	11/14/2014	958	\$2,874.00
2010	03/31/2011	11/14/2014	1,324	\$3,972.00
2009	03/31/2010	11/14/2014	1,689	\$5,067.00
TOTAL			4,792	\$14,376.00

⁴⁰ Kincaid's 2008 Annual Report was received 22 days late, on April 22, 2009.

Finally, our records show that Kincaid is not timely responding to customer complaints. Our Consumer Activity Tracking System (CATS) shows three customer complaints in which Kincaid has failed to respond to both the customer and our staff. Our staff has compiled a list of customer complaints currently open with this Commission, along with a copy of each of the CATS complaint records for review.⁴¹ These complaints were submitted to this Commission on October 13, 2016, March 30, 2017, and May 8, 2017. The complaints show that customers reported regularly experiencing difficulty in reaching a Utility representative and reported Kincaid's telephone number being out-of-service on occasions. Our staff has experienced great difficulty in reaching Kincaid regarding the customer complaints.⁴² Furthermore, Kincaid has failed to adequately respond to our staff's repeated attempts to contact Kincaid by telephone, mail, and e-mail in order to resolve the complaints.⁴³ To date, Kincaid has not responded to these customer complaints and has not provided a written response to our staff on these complaints.

By knowingly failing to comply with the provisions of Rules 25-30.355 and 25-22.032, F.A.C., we believe Kincaid's acts were "willful" in the sense intended by Section 367.161, F.S. Where available, staff looks to prior Commission Orders for guidance on the amount and type of fines for each violation. Accordingly, using prior Order Nos. PSC-06-0349-SC-WS and PSC-11-0541-SC-WS as a guide, the penalty for each failure to respond should be \$250.⁴⁴ Thus, the total of Kincaid's penalties for failing to respond to the three customer complaints is \$750: \$250 for failing to respond to the customer complaint dated October 13, 2016, \$250 for failing to respond to the customer complaint dated March 30, 2017, and \$250 for failing to respond to the customer complaint dated May 8, 2017.

Analysis and Conclusion

Considering Kincaid's management's history, specifically, the fact that the Utility has a long history of noncompliance, we find that Kincaid has a poor record of complying with our rules and statutes. Notably, this is the fourth time our staff has opened a docket to initiate a show cause proceeding since Kincaid became subject to our jurisdiction in 1993. We have previously initiated revocation proceedings against a utility based on its history of noncompliance with orders, rules, and statutory requirements.⁴⁵

We are concerned that Kincaid's management does not understand how to and is not willing to commit the time to operate a utility within the meaning of Chapter 367, F.S. The operation of a utility under Chapter 367, F.S., if successful, allows a utility the opportunity to earn a return on its investment. If management is not willing to operate as a utility that follows our rules and regulations, the utility's certificate should be revoked, removing any opportunity the owner has to earn a return on its investment. If the certificate is revoked, a receiver must be

⁴¹ Attachment A, Exhibit D (Open CATS Customer Complaints).

⁴² Id.

⁴³ Id.

⁴⁴ Order No. PSC-06-0349-SC-WS, issued April 25, 2006, in Docket No. 060057-WS and Order No. PSC-11-0541-SC-WS, issued November 22, 2011, in Docket No. 110254-WS.

⁴⁵ Order No. PSC-93-0370-AS-WU.

appointed pursuant to Section 367.165, F.S., until a sale of the utility system has been approved pursuant to Section 367.071, F.S.

Commission staff is hereby directed to initiate certificate revocation proceedings against Kincaid, consistent with Chapter 120 and Section 367.161, F.S., based on: (1) Kincaid's apparent violation of Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., for failure to submit RAFs for the years 2008, 2009, 2012, 2013, and 2016; (2) Kincaid's apparent violation of Section 367.121, F.S., and Rule 25-30.110, F.A.C., for failure to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013; and (3) Kincaid's apparent violation of Rules 25-30.355 and 25-22.032, F.A.C., for failing to respond to customer complaints and our staff. Therefore, our staff shall send a letter to the Utility, giving the Utility 30 days' notice that our staff intends to commence revocation proceedings. Revocation shall be in lieu of the penalties discussed above.

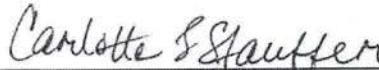
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that based on Kincaid Hills Water Company's apparent violation of: (1) Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., for failure to submit Regulatory Assessment Fees for the years 2008, 2009, 2012, 2013, and 2016; (2) Sections 367.121, F.S., and Rule 25-30.110, F.A.C., for failure to timely submit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013; and (3) Rules 25-30.355 and 25-22.032, F.A.C., for failing to respond to customer complaints and Commission staff; Commission staff is hereby directed to initiate certificate revocation proceedings against Kincaid Hills Water Company, consistent with Chapter 120 and Section 367.161, F.S. It is further

ORDERED that Commission staff shall send a letter to the Kincaid Hills Water Company, giving the Utility 30 days' notice that our staff intends to commence revocation proceedings. It is further

ORDERED that this docket shall remain open until certificate revocation proceedings are initiated, at which point the docket should be closed administratively.

By ORDER of the Florida Public Service Commission this 15th day of December, 2017.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MAD/RD

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

MAY 25 2007

FEDERAL EXPRESS No.

Mr. Berdell Knowles
Mr. Dwight Knowles
3260 SE 19th Avenue
Gainesville, FL 32641-1007

SUBJ: ADMINISTRATIVE ORDER

Docket No. SDWA-04-2007-0759
Kincaid Hills Water System
PWS ID No. FL2010612

Dear Messrs. Knowles:

The Administrator of the U.S. Environmental Protection Agency (EPA) has determined that the Kincaid Hills Water System (System) has violated the Safe Drinking Water Act (SDWA), 42 USC 300f et seq., and its implementing regulations found at Title 40 CFR Part 141. Enclosed you will find an Administrative Order, issued pursuant to § 1414(g) of the SDWA, 42 USC 300g-3(g), which sets forth the violation(s) by the System and requires the System to comply with the SDWA and its implementing regulations.

Specifically, the System violated the SDWA and its implementing regulations by failing to monitor and report for total coliform bacteria, total halo acetic acids, total trihalomethanes, synthetic organic chemicals, nitrate, and by failing to prepare and distribute its Consumer Confidence Reports, pursuant to 40 CFR §§ 141.21(a)(2), 141.132(b)(1), 141.24(h)(4)(iii), 141.23(d)(1), and 141.152(b).

This Administrative Order will become effective ten (10) days from receipt. The Administrative Order shall remain effective until the public water system has demonstrated compliance with the requirements contained therein and EPA has issued a closure letter.

The Administrative Order does not constitute a waiver, suspension, or modification of the requirements of the National Primary Drinking Water Regulations or of the SDWA, which remain in full force and effect. Issuance of the Administrative Order is not an election by EPA to forego any other enforcement action otherwise authorized under the SDWA. Any person who violates an Administrative Order shall be liable to the United States for a penalty of not more than \$32,500 per day of violation, pursuant to § 1414(g)(3)(A) of the SDWA, 42 U.S.C. § 300g-3(g)(3)(A) as amended by the Debt Collection Improvement Act of 1996.

We urge your prompt attention to this matter. If you have any questions, please contact Ms. Alenda Johnson, Enforcement Officer, at (404) 562-9761. If your attorney has questions, he or she should contact Mr. William Jones, Associate Regional Counsel, at (404) 562-9582.

Sincerely,



Douglas F. Mundrick, P.E., Chief
Water Programs Enforcement Branch
Water Management Division

Enclosure - Administrative Order

cc: Mr. Van Hoofnagle, Florida Department
of Environmental Protection

IN THE MATTER OF:

Kincaid Hills Water System

P.O. Box 579

Gainesville, Florida 32602

PWS ID NO. FL2010612

Docket No. SDWA-04-2007-0759

ADMINISTRATIVE ORDER

Proceedings under Section 1414(g) of the
Safe Drinking Water Act, 42 USC 300g-3(g)

I. STATUTORY AUTHORITY

The following findings are made and Administrative Order (hereinafter, "Order") issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency (hereinafter, "EPA") by Section 1414(g) of the Safe Drinking Water Act, 42 U.S.C. 300g-3(g) (hereinafter, the "Act"). The Administrator of EPA has delegated the authority to take these actions to the Regional Administrator, who has delegated such authority to the Director, Water Management Division, who, in turn, has delegated such authority to the Chief, Water Programs Enforcement Branch.

II. FINDINGS

1. The Kincaid Hills Water System (hereinafter, "System"), located in Alachua County, Florida, provides piped water to the public for human consumption. Information from the Safe Drinking Water Information System (hereinafter, "SDWIS") indicates that the System provides piped ground water to approximately eight hundred fifty persons at least sixty (60) days out of the year. The System is a "public water system" within the meaning of § 1401(4) of the Act, 42 USC 300f(4).
2. The System is a "supplier of water" within the meaning of § 1401(5) of the Act, 42 USC 300f(5), and 40 CFR § 141.2, and is subject to the requirements of Part B of the Act, 42 USC 300g, and its implementing regulations, 40 CFR Part 141.2.
3. On June 9, 2006, the System was referred to EPA for federal enforcement by the Florida Department of Environmental Protection (hereinafter, "FDEP").
4. The System is required, but failed to monitor, pursuant to 40 CFR § 141.21(a)(2) for total coliform bacteria during the compliance periods of March 1998; June, September, October, November, and December 2001; January, February, March, April, May, June, August, November, and December 2002; February, April, June, August, and November 2003; January, February, and December 2004; January, February, October, and December 2005; and April 2006. Therefore, the System is in violation of 40 CFR § 141.21(a)(2).

5. The System is required, but failed to monitor, pursuant to 40 CFR § 141.132(b)(1)(i) for total trihalomethanes (hereinafter, "TTHMs") and five halo acetic acids (hereinafter, "HAA5s") during the compliance period of January 1 through December 31, 2004. Specifically, the System must collect one water sample per year per treatment plant, at locations representing maximum residence time. If the sample exceeds the maximum contaminant level (hereinafter, "MCL"), the system must increase monitoring to one sample per treatment plant per quarter, taken at a point reflecting maximum residence time in the distribution system, until the system meets a TTHM annual average equal to or less than .060 mg/L and their HAA5 average is equal to or less than .045 mg/L as specified in 40 CFR § 141.132(b)(1)(iv). Therefore, the System is in violation of 40 CFR § 141.132(b)(1)(i).
6. The System is required, but failed to monitor, pursuant to 40 CFR § 141.23(c)(1) for primary inorganic chemicals during the compliance periods of January 1, 2000 through December 31, 2000; January 1, 2003 through December 31, 2003; and January 1, 2006 through December 31, 2006.
7. The System is required, but failed to monitor, pursuant to 40 CFR § 141.24(f)(5) for volatile organic chemicals during the compliance periods of January 1, 2000 through December 31, 2000; and January 1, 2006 through December 31, 2006.
8. The System is required, but failed to monitor, pursuant to 40 CFR § 141.24(h)(4)(iii) for synthetic organic chemicals during the compliance periods of January 1, 2000 through December 31, 2000; January 1, 2003 through December 31, 2003; and January 1, 2006 through December 31, 2006.
9. The System is required, but failed to monitor, pursuant to 40 CFR § 141.23(d)(1) for nitrate during the calendar years 1999, 2000, 2001, 2002, and 2003. In addition, based upon information received from FDEP, the results for the 2005 monitoring period were due in 2005 but were reported late, specifically, on February 27, 2006, in violation of the reporting requirements for nitrate.
10. The System is required, but failed to prepare and distribute Consumer Confidence Reports, pursuant to 40 CFR § 141.152(b) during the calendar years 2002, 2003, 2004, and 2005.
11. The System is required, pursuant to 40 CFR § 141.31(b), to report all violations to the State within forty-eight (48) hours of the violation. The System failed to report to the State the violations cited in Paragraphs 4, 5, 6, 7, 8, and 9. Therefore, the System is in violation of 40 CFR § 141.31(b).

12. The System is required, but failed, pursuant to 40 CFR § 141.201(a), to notify persons served by the System of all of the violations alleged in Paragraphs 4, 5, 6, 7, 8, 9 and 10. The System failed to provide public notifications in accordance with this provision. Therefore, the System is in violation of 40 CFR § 141.201(a).

III. ORDER

Based on the foregoing findings and pursuant to the authority of § 1414(g) of the Act, 42 USC 300g-3(g), I HEREBY ORDER that:

13. This Order shall become effective ten (10) days after receipt by the System.
14. The System shall contract with a certified laboratory immediately in order to conduct all analytical sampling required by the National Primary Drinking Water Regulations specified in 40 CFR Part 141 and the Act. The System shall provide a copy of the billing prepayment statement as proof of the contract agreement, within ten (10) days of receipt of this Order.
15. The System shall monitor and analyze for total coliform bacteria monthly, as specified in 40 CFR § 141.21(a)(2), beginning June 16, 2007. The System shall report the results to EPA and FDEP, as specified in 40 CFR § 141.31(a), within ten (10) days of the date the result is received by the System. Correspondence should be addressed as indicated in Paragraph 25 below.
16. The System shall monitor and analyze for primary organic chemicals, as specified in 40 CFR § 141.23(i)(4)(iii), by May 28, 2007. The System shall report the results to EPA and FDEP, as specified in 40 CFR § 141.31(a), within ten (10) days of the date the result is received by the System. Correspondence should be addressed as indicated in Paragraph 25 below.
17. The System shall monitor and analyze for synthetic organic chemicals, as specified in 40 CFR § 141.24(i)(4)(iii), by May 28, 2007. The System shall report the results to EPA and FDEP, as specified in 40 CFR § 141.31(a), within ten (10) days of the date the result is received by the System. Correspondence should be addressed as indicated in Paragraph 25 below.
18. The System shall monitor and analyze for volatile organic chemicals, as specified in 40 CFR § 141.24(i)(6), by May 28, 2007. The System shall report the results to EPA and FDEP, as specified in 40 CFR § 141.31(a), within ten (10) days of the date the result is received by the System. Correspondence should be addressed as indicated in Paragraph 25 below.

19. The System shall monitor and analyze for TTHMs and HAA5s, as specified in 40 CFR § 141.132(b)(1)(i), by May 28, 2007. The System shall report the results to EPA and FDEP, as specified in 40 CFR § 141.31(a), within ten (10) days of the date the result is received by the System. Correspondence should be addressed as indicated in Paragraph 25 below.
20. The System shall comply with all public notice requirements specified in 40 CFR Part 141, Subpart Q which may be satisfied by including notification of the MCL in the 2006 Consumer Confidence Report due to consumers by July 1, 2007. This report should notify customers of the System's aforementioned violations cited in Section II. of this Order including the System's failure to provide Consumer Confidence Reports in 2002, 2003, 2004, and 2005. This requirement may be satisfied by providing a consolidated 2006 Consumer Confidence Report in accordance with the notice requirements of Paragraph 21 below.
21. Within thirty (30) days of the effective date of this Order, or earlier, the System shall publish a written public notice in accordance with 40 CFR § 141.201. This notice shall be given to all of the System's customers notifying them of the System's aforementioned violations cited in Section II. of this Order. Specifically, using the language and general content described in 40 CFR § 141.205, the System shall provide notice by mail or other direct delivery to each customer receiving a bill and to other service connections to which water is delivered by the System. Persons not normally reached by the direct mail or delivery must be provided notice by other means. These means include: publication in a local newspaper; delivery of multiple copies for distribution by customers that provide their drinking water to others (e.g., apartment building owners or large private employers, if applicable); posting in public places or on the Internet; or delivery to community organizations.

If the public notice is posted, the notice must remain in place for as long as the violation persists, but in no case less than seven (7) days (even if the violation is resolved).
22. Within ten (10) days of completing the public notification requirements described in Paragraph 19 above, the System shall submit to EPA a certification that it has fully complied with the public notification regulations. The System must also submit a representative copy of each type of notice distributed, published, posted, and made available to the persons served by the System and to the media. The date and method of publication of each notice type should be clearly noted on the copies provided to EPA. Correspondence should be addressed as indicated in Paragraph 25 below.
23. In the future, the System shall perform public notification in accordance with 40 CFR § 141.201 to all users regarding any failure to comply with any treatment technique, MCL, or monitoring requirements as defined in 40 CFR Part 141.

24. It is recommended that the System monitor for Secondary Contaminants identified in 40 CFR § 143.3 using one of the methods identified in 40 CFR § 143.4(b).
25. All information required to be submitted by this Order to EPA shall be mailed to:

Mr. César Zapata, Chief
Gulf Enforcement Section
Water Programs Enforcement Branch
Water Management Division
U.S. EPA, Region 4
61 Forsyth Street, SW
Atlanta, GA 30303-8960

and

Mr. Van Hoofnagle, Administrator
Drinking Water Program
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

26. This Order shall remain in effect until the System has demonstrated compliance and EPA has issued a Closure Letter.

IV. GENERAL PROVISIONS

27. This Order does not constitute a waiver, suspension, or modification of the requirements of the National Primary Drinking Water Regulations or of the Act, which remain in full force and effect. Issuance of this Order is not an election by EPA to forego any other enforcement action otherwise authorized under the Act.
28. This Order does not relieve the System of any responsibilities or liabilities established pursuant to any applicable federal or state law or regulation.

29. Any person who violates an Order shall be liable to the United States for a penalty of not more than \$32,500 per day of violation, pursuant to § 1414(g)(3)(A) of the Act, 42 U.S.C. § 300g-3(g)(3)(A) as amended by the Debt Collection Improvement Act of 1996.

Dated this 25 day of May, 2007.



Douglas F. Mundrick, P.E., Chief
Water Programs Enforcement Branch
Water Management Division
U.S. Environmental Protection Agency
Region 4
61 Forsyth Street, SW
Atlanta, GA 30303-8960

Rodriguez, Blanca

Kincaid Hills S/S - Alachua

From: Rodriguez, Blanca
Sent: Wednesday, January 23, 2008 11:43 AM
To: 'Johnson.Alenda@epamail.epa.gov'
Subject: RE: FW: Kincaid Hills Water System

*Response to EPA
1/23/2008*

Alenda,

I have to correct my previous response. The only analysis results received from Kincaid Hills in 2007 (samples collected by the Alachua County Health Dept) were 1st Cadmium quarterly analysis, Nitrate, Nitrite, TTHMs and HAA5s, and Lead & Copper (20 tap samples) for samples collected on December 2007. We have not received all the quarterly analysis for cadmium (only one cadmium result for last Q 2007), or the Q analyses for Dichloromethane or Dalapon. DBPs and Lead & Copper were not sampled during the warmest month but we accepted the results (better something than nothing). No public Notice for MCL/MDL exceedance, or CCR Report have been received in our office.

We credited the primaries, secondaries, VOCs, and SOCs results that EPA forwarded us for Samples collected on 12/21/06 (received in our office on July 2007), and this took care of some of the chemicals requested by our office early in 2007. However, they always are late reporting the chem analysis results.

The Kincaid Hills Water Company or their representatives have not contacted us or provided a response regarding our last inspection. We still worry about this facility and their ability to operate/maintain it in good condition. This Utility does not have the resources to operate/maintain it as required. Let me know if you need any additional information.

Blanca R. Rodriguez

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

From: Johnson.Alenda@epamail.epa.gov
[mailto:Johnson.Alenda@epamail.epa.gov]
Sent: Wednesday, January 23, 2008 9:26 AM
To: Rodriguez, Blanca
Subject: RE: FW: Kincaid Hills Water System

I am reviewing the compliance status now. Did you receive any quarterly results for Cadmium, Dichloromethane and Dalapon? Also, what is the status of the CCR and public notice for the MCL/MDL exceedances?

Alenda E. Johnson
Senior Enforcement Engineer & Florida Pacesetter
Gulf Enforcement Section
U.S. EPA, Region 4
61 Forsyth Street
Atlanta, GA 30303
(404) 562-9761
(404) 562-9729-facsimile
<http://www.epa.gov/region4/water/wpeb>

"Rodriguez,
Blanca"
<Blanca.Rodrigue
z@dep.state.fl.u
s>

To
Alenda Johnson/R4/USEPA/US@EPA
cc

01/23/2008 07:50
AM

Subject
RE: FW: Kincaid Hills Water

Alenda,
They have not responded to my inspection report, therefore I can not provide a copy of their response.

But they paid the Alachua County Health Department to perform the chemical analyses requested in 2007, and we have received most of the results by now:
primary inorganics including Nitrate/Nitrite , VOCs, TTHMs, HAA5s, Lead & Copper (tap monitoring). All the results received are good including cadmium, only that DBPs and Lead & Copper were not performed during the warmest months as required by rule. But at least they performed the monitoring for these contaminants and I am accepting the results.

I have not received any call or written response from Kincaid Hill Utility Co. responding to my last inspection.
Have they complied with the EPA Order?. What is the status with the EPA enforcement actions?

Blanca R. Rodriguez
Dept. of Environmental Protection
Blanca.Rodriguez@dep.state.fl.us
(904) 807-3303

The Department of Environmental

Protection values your feedback as a customer. DEP Secretary Michael W. Sole is committed to continuously assessing and

improving the level and quality of services provided to you. Please take a few minutes to comment on the quality of

service you received. Copy the url below to a web browser to complete the DEP

survey:
<http://survey.dep.state.fl.us/?refemail=Blanca.Rodriguez@dep.state.fl.us>
Thank you in advance for completing the survey.

From: Johnson.Alenda@epamail.epa.gov
[mailto:Johnson.Alenda@epamail.epa.gov]
Sent: Tuesday, January 22, 2008 5:15 PM
To: Rodriguez, Blanca
Subject: RE: FW: Kincaid Hills Water System

Blanca,

I did receive the inspection report in November. Has Kincaid Hills responded to your November report? If so, can you fax or email me the response. Thank you.

Alenda E. Johnson
Senior Enforcement Engineer & Florida Pacesetter
Gulf Enforcement Section
U.S. EPA, Region 4
61 Forsyth Street
Atlanta, GA 30303
(404) 562-9761
(404) 562-9729-facsimile
<http://www.epa.gov/region4/water/wpeb>

"Rodriguez,
Blanca"
<Blanca.Rodrigue
z@dep.state.fl.u
s>

To
Alenda Johnson/R4/USEPA/US@EPA
cc

11/02/2007 03:10
PM

Subject
RE: FW: Kincaid Hills Water
System

Alenda,
I finally was able to reach Mr. Knowles (father) and the inspection is scheduled for next Tuesday, November 6. I will send you a copy of my inspection report asap after completing the inspection next week.
Blanca Rodriguez

The Department of Environmental Protection values your feedback as a customer. DEP Secretary Michael W. Sole is committed to continuously assessing and improving the level and quality of services provided to you. Please take a few minutes to comment on the quality of service you received. Simply click on this link to the DEP Customer Survey. Thank you in advance for completing the survey.

-----Original Message-----
From: Johnson.Alenda@epamail.epa.gov
[mailto:Johnson.Alenda@epamail.epa.gov]
Sent: Friday, November 02, 2007 1:03 PM
To: Rodriguez, Blanca
Subject: Re: FW: Kincaid Hills Water System

The information is the violations of the Cadmium, Dalapon and Dichloromethane MCL/MDL levels. We may actually change that language when the Order is issued. Currently it is being reviewed by out attorney who also asked questions about that same language. Were you able to make contact and conduct the inspection of Kincaid Hills?

11/2/07
EPA is
reviewing
Order for
Kincaid Hills
again



Florida Department of Environmental Protection

Northeast District
7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256-7590
Phone: 904/807-3300 ♦ Fax: 904/448-4366

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

November 17, 2008

SEND VIA E-MAIL: berdell@alum.mit.edu

Berdell Knowles Jr., CEO
Kincaid Hills Water Company
Post Office Box 579
Gainesville, Florida 32602

Alachua County - Potable Water
Compliance Inspection 2008
Kincaid Hills S/D Water System // PWID: 2010612

Dear Mr. Knowles:

On October 30, 2008 a Compliance Inspection was conducted at the Kincaid Hills water treatment plant with Mr. Anderson Knowles and Mr. Dwight Knowles, two members of your family. The following deficiencies were noted as requiring corrective action to bring the water system into compliance with Chapter 62 of the Florida Administrative Code (F.A.C.). This facility has failed to correct the deficiencies most of which have been observed on previous inspections. The deficiencies and the failure to correct them were discussed with your uncles at the end of the inspection.

1. Facility has failed to repair or replace the auxiliary power generator as required by the Department in the Amended Final Order, OGC # 00-0211 dated July 31, 2003, and on previous inspections. The system serves an estimated population of 860 persons based on the 344 homes occupied (344 x 2.5 persons) and it requires standby power capability. Rule 62-555.320(14), F.A.C., requires that each community water system serving 350 or more persons or 150 connections provide standby power to operate the wells/treatment facilities during power outages.
2. One of the two hydroneupmatic tanks still leaking, and it has not been repaired yet as requested by the Department on previous inspections. All components of the water plan must be maintained in good operating conditions per Rule 62-555.350, F.A.C. This deficiency needs to be corrected immediately.
3. No Monthly Operating Reports have been received since July 1997. This facility has failed to provide proper certified operator coverage during the last years, to maintain the required Operating/Maintenance Log on-site, and to submit the required reports to the Department per Rules 62-550.730(1)(d), and 62-602.560, F.A.C. No operating and Maintenance Log was on-site during the inspection for review.

4. Some areas in the wells, tanks, piping, etc. still showing signs of corrosion. Please sand and paint these areas to prevent further corrosion, and maintain the system in good condition, per Rule 62-555.350, F.A.C.
5. A pressure gauge near Well #3 is not working, and needs to be replaced by a new gauge.
6. Each wellhead must be protected from vandalism or sabotage with a lockable fence or housing as soon as possible. Construct a housing to secure each well. Rule 62-555.315(1).
7. The following monitoring violations have occurred this year:
 - a. This facility has not performed the four consecutive quarterly analyses for cadmium and dichloromethane requested by the Department on July 2007. Four consecutive quarterly analyses for cadmium and dichloromethane were requested on July 2007 after receiving the results for sample dated 12/21/06 indicating a MCL exceedance for cadmium, and a detection for dichloromethane. We have received two analysis results for cadmium (samples dated 12/12/07 and 5/29/08), and one analysis result for dichloromethane (sample dated 5/29/08), but not the required four consecutive quarterly analyses for each contaminant per compliance with Rules 62-550.513(2), and 62-550.515(3), FAC.
 - b. We have not received the chemical monitoring analyses for Disinfection By-Products for monitoring period July-September 2008. The results were due in our office on October 10, 2008. Rule 62-550.514, FAC.
8. We do not have a copy of the Bacteriological Sampling Plan, Disinfection By-Products Monitoring Plan, or the written Cross-Connection Control Plan (CCC) for this water system. Blank forms and examples of the plans have been provided previously to assist you with these requirements. The sampling plans must be followed when performing the monitoring for the contaminants, and the CCC Plan is a requirement for all community water systems to prevent contamination by prohibited cross-connections.
9. Kincaid Hills Water Company has failed to pay the Department \$6,450 (\$8,250 - \$1,800) in penalties mandated by the Amended Final Order, OGC # 00-0211, for violations prior to 2003.

This facility must submit the nitrate and nitrite analysis results due for 2008 as soon as possible, but no later than December 31, 2008. This is in addition to the quarterly monitoring analyses results for cadmium, dichloromethane, and the Disinfection By-products analyses, (see Item 7 above).

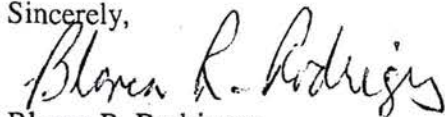
Mr. Berdell Knowles, Jr.

Page 3

During the inspection the chlorine residual was 0.3 and the pressure was 30 psig at the water plant, good. Also we noted some improvements in the condition of the concrete pads and discharging piping of the wells. The bacteriological monitoring has been better this year.

A copy of the Inspection Report is enclosed for your records. Please provide a response within 15 days of receipt of this letter detailing how all deficiencies will be corrected in a satisfactory manner by December 31. Failure to correct the deficiencies will result in enforcement action by the Department. Please contact me at (904) 807-3303 or Blanca.Rodriguez@dep.state.fl.us if you have any questions.

Sincerely,



Blanca R. Rodriguez
Potable Water Section

BRR/brr

Enclosures: Compliance Inspection

CC: Mr. Berdell Knowles, Operator, via e-mail: kincaidhillswaterco@yahoo.com

Mr. Anthony Dennis, ACHD, via e-mail: Anthony_Dennis@doh.state.fl.us

Ms. Alenda Johnson, EPA Region IV, via -mail: Johnson.Alenda@epamail.epa.gov

Ms. Robin Hallbourg, ACED, (w/o enclosures), Robin@alachuacounty.us

Ms. Kristine P. Jones, DEP-OGC, via e-mail: Kristine.P.Jones@dep.state.fl.us

State of Florida
Department of Environmental Protection

PUBLIC WATER SYSTEM INSPECTION REPORT

System Name: <u>Kincaid Hills S/D Water System</u>	Inspection Date: <u>10/30/08</u>
Location: <u>SE 19th Ave. & SE 32nd St., south of SR-20, Gainesville</u>	PWS ID: <u>2010612</u>
Owner: <u>Berdell Knowles, Jr, CEO- Kincaid Hills Water Company</u>	Phone No.: <u>352-371-7104</u>
Address: <u>Post Office Box 579, Gainesville, FL</u>	Zip Code: <u>32602</u> County: <u>Alachua</u>
Certified Operator: <u>Berdell Knowles (father)</u>	Level & No.: <u>D-5775</u>
Type of System: <u>Community</u>	Type of Inspection: <u>Compliance</u>

INSPECTION RESULTS

Selections marked with an X are unsatisfactory
Referenced sections are from Title 62, Florida Administrative Code

	Aeration	555.350	
<u>X</u>	Auxiliary Power	555.320(6)	Auxiliary power still not working. It needs to be repaired.
	Check Valve	555.330(3)	
<u>I</u>	Cross Connection	555.360	Provide a copy of the written CCC Plan
<u>OK</u>	Chlorination (Disinfection)	555.350(1)	0.3 ppm measured in the distribution system
	Plant 0.3 mg/l Remote 0.3 mg/l		A free chlorine residual was found this time..
	Chlorination, Gas	555.320(5)	
<u>X</u>	Chlorine Test Kit - DPD	555.330	No chlorine test kit on site , with operator ?
<u>OK</u>	Flow Meter	555.320(8)	
<u>X</u>	Logs, on-site	555.350(4)	A maint./operating log was not available on site..
<u>X</u>	Maintenance of Facilities	555.350	The auxiliary power equipment at the plant still inoperational.
<u>OK</u>	Monitoring: Bacteriological	550.518	
<u>X</u>	Monitoring: Chemical	550.500-521	See item 7 of letter for detail. No DBPs or consecutive quarterly monitoring for cadmium and dichloromethane completed.
	Monitoring: Well Clearance	555.315(3)c	
<u>X</u>	Monthly Operation Reports	550.730(1)d	No Monthly Operating Reports received since July 1998.
<u>OK</u>	Operator, Certified	555.350(2)	However, unable to verify how many visits per week he does.
	Plant Design	555.330	
<u>OK</u>	System Pressure	555.320(7)	Pressure was 30 psig. Need to replace a press. gauge near Well 3.
<u>OK</u>	Well, Concrete Apron	555.315(2)(b)5	some repairs noted on wells pads.
<u>OK</u>	Wells, Number of	555.315(1)	Two wells on service. Well 1 (AAC2238) was disconnected.
<u>OK</u>	Well, Raw Sample Tap	555.315(2)f	This deficiency was corrected.
	Well Set Backs	555.312	

Comments:

Pressure was measured as 35 psig, and the free chlorine residual was 0.3 ppm in the distribution

Facility has not corrected the deficiencies observed on previous inspections: auxiliary power generator still not operational, there was a leak in the 5,000 gal hydroneupmatic tank, a pressure gauges was not working.

In addition no MORs have been received since 1998, no O & M Log on site, no monitoring performed in 2008 for TTHMs and HAA5, and cadmium & dichloromethane (quarterly)

Deficiencies were discussed with them at the end of the inspection, and we requested the correction of the deficiencies immediately.

See letter for additional details.

It is required that a written response be provided to this office within ten days of receipt of this report regarding any unsatisfactory results listed above.

Inspector:

Blanca R. Rodriguez

Date:

Nov. 14 2008

Blanca Rodriguez (904) 807-3303

or e-mail address:

Blanca.Rodriguez@DEP.STATE.FL.US

"More Protection, Less Process"

www.dep.state.fl.us



Florida Department of Environmental Protection

Northeast District Office
7825 Baymeadows Way, Suite 200B
Jacksonville, Florida 32256-7590

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

November 20, 2009

SEND VIA E-MAIL: berdell@alum.mit.edu

Berdell Knowles Jr., CEO
Kincaid Hills Water Company
Post Office Box 579
Gainesville, Florida 32602

Alachua County - Potable Water
Compliance Inspection 2008
Kincaid Hills S/D Water System // PWID: 2010612

Dear Mr. Knowles:

On November 17, 2009 a complaint investigation was conducted at the Kincaid Hills water system due to various complaints received in our office on November 16th. The first complaint left at 6:00 pm was reporting low pressure in the water, and another complaint at 9:00 pm was reporting that the residents at Kincaid Hills did not have water. The Alachua County Health Department informed us that they were receiving many complaints too.

During the inspection we confirmed from the residents at Kincaid Hills Subdivision that the water system had problems, and that they did not have water for various hours around 9:00 pm on November 16th. At the time of my visit, the plant was operational and the pressure was 43 psig in the distribution system which is good. However, no free chlorine residual was found at the plant or distribution system; And no Public Notice or Boil Water Notice was issued yet to notify the residents about the problem and the need of boiling the water.

After the inspection, we contacted Mr. Knowles (your father) and requested that a Boil Water Notice be issued and delivered to each residence, and to complete two consecutive days of satisfactory bacteriological analyses to verify that the quality is satisfactory. On November 19th we called Mr. Knowles again, and he confirmed that the Boil Water Notice was delivered to each residence on November 18th. We requested a copy of the notice and the bacteria analysis results. The Health Department informed us that some of the bacteria sample results collected by the facility on November 18th were positive for which additional bacteria sampling is required until the problem is corrected.

This water system has failed to correct many of the deficiencies noted on previous inspections (2000-2009) in violation of Chapter 62, Florida Administrative Code, and the Federal Drinking Water Regulations, and Corrective Orders.

The following deficiencies were noted during this inspection:

1. No chlorine residual was found during the inspection in violation of Rule 62-555.350(6), FAC. Suppliers of water shall maintain a minimum free chlorine residual of 0.2 mg/L throughout the distribution system at all times for proper disinfection of the water.
2. Failure to correct the poor condition of one hydroneupmatic tank that still leaking. This tank is corroded and in very poor condition, and represents a safety hazard. Facility has ignored our numerous requests to inspect, and repair this tank. All drinking water tanks must be cleaned and inspected for structural and coating integrity at least every 5 years by professional personnel per Rule 62-555.350(2), FAC.
3. Failure to repair or replace the auxiliary generator as requested per previous inspections and Final Orders. The generator is not operational.
4. Failure to repair / replace the pressure gauge near Well # 3 that is not working.
5. The chlorine additive product being used from Pinch-A-Penny does not have the NSF/ASNI seal of approval for use in drinking water facilities. The chlorine containers on-site indicate that this product is for use in swimming pools. All chemical additives for use in contact with potable water must have the NSF/ANSI seal or Standard 60 approval.
4. Failure to notify the customers or issue public notices when there are problems at the water system or there is monitoring/reporting violations. The Boil Water Notice was not delivered until requested by the Department, and it was delivered to the customers on November 18th, or two days after the problem.
5. Failure to prepare and distribute the Consumer Confidence Report to the customers in 2009 again, and to submit a copy to our office by October 10, 2009.
6. Failure to submit the Monthly Operating Reports (MORs), and to maintain an Operating & Maintenance Log on-site for review during the inspections of the water plant. No MORs have been received since July 1998.
7. Failure to prepare and submit the Bacteria Sampling Plan, DBPs Sampling Plan, and Cross Connection Control Plan requested on previous occasions.
8. Many monitoring and reporting violations for coliform and chemicals continue on a frequently basis creating violations against this water system. This year we have not received the quarterly analyses for cadmium or dichloromethane due on 3/31/09, 6/30/09, and 9/30/09 or the DBPs monitoring results due on 10.10/09. Also, the monthly bacteria results frequently are reported to our office 1-2 months late creating violations.

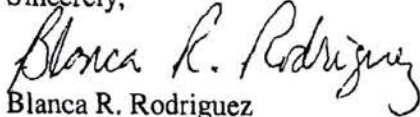
Mr. Berdell Knowles, Jr.

Page 3

In addition this water system is due for the following chemical analyses in 2009 and must submit a copy of the analysis results to our office no later than December 31: Primary Inorganic (including Nitrate, Nitrite), Secondaries, VOCs, SOCs, Radionuclides and Disinfection By-products.

The Department is requesting that all deficiencies (maintenance, operating, monitoring and reporting deficiencies) regarding the water system be corrected immediately. Please provide a written respond within 10 days from receipt of this letter detailing how all the above deficiencies will be addressed within the next 30 days in a satisfactory manner. The Boil Water Notice and follow-up bacteria testing must be completed immediately. The Department is planning additional enforcement actions against this facility for failure to correct past and current violations against the Drinking Water Regulations. You may contact me at (904) 807-3303 or by e-mail at Blanca.Rodriguez@dep.state.fl.us, if you have any questions.

Sincerely,



Blanca R. Rodriguez
Potable Water Section

BRR/brr;

CC: Mr. Berdell Knowles (Operator): kincaidhillswaterco@yahoo.com
Mr. Anthony Dennis, Alachua CHD: Anthony_Dennis@doh.state.fl.us
Ms. Alenda Johnson, EPA- Region IV: Johnson.Alenda@epamail.gov

State of Florida
Department of Environmental Protection

PUBLIC WATER SYSTEM INSPECTION REPORT

System Name: Kincaid Hills S/D Water System Inspection Date: 11/17/09
Location: SE 19th Ave. & SE 32nd St., south of SR-20, Gainesville PWS ID: 2010612
Owner: Kincaid Water Company- Berdell Knowles, Jr., CEO Phone No.: 352-373-0729
(310)821-1235 (out of state) recording
Address: Post Office Box 579, Gainesville, FL Zip Code: 32602 County: Alachua
Certified Operator: Berdell Knowles (father) (904)885-1450 cell Level & No.: D-5775
Type of System: Community Type of Inspection: Complaint Investigation

INSPECTION RESULTS

Selections marked with an X are unsatisfactory, I needs improvement
Referenced sections are from Title 62, Florida Administrative Code

<u>X</u>	Auxiliary Power	555.320(6)	<u>Auxiliary power still not working. It needs to be repaired.</u>
	Check Valve	555.330(3)	
<u>X</u>	Cross Connection	555.360	<u>No written CCC Plan</u>
<u>X</u>	Chlorination (Disinfection)	555.350(1)	
	Plant 0.0 mg/l Remote 0.0 mg/l		<u>No free chlorine residual was found during the inspection.</u>
<u>X</u>	Chlorine Test Kit - DPD	555.330	<u>No test kit on site</u>
<u>OK</u>	Flow Meter	555.320(8)	
<u>I</u>	Logs, on-site	555.350(4)	<u>Unable to review O&M LOG.</u>
<u>X</u>	Maintenance of Facilities	555.350	<u>The auxiliary power generator still not operational, a tank was leaking. a pressure gauge was not working.</u>
<u>I</u>	Monitoring: Bacteriological	550.518	<u>Frequently the monthly bacts. analysis are reported late.</u>
<u>X</u>	Monitoring: Chemical	550.500-521	<u>No chemical analyses for TTHMs and HAA5 in 2009 (due on 10/10/09). No quarterly analysis for cadmium or di-chloromethane submitted in 2009. Other chems still due for 2009..</u>
	Monitoring: Well Clearance	555.315(3)c	
<u>X</u>	Monthly Operation Reports	550.730(1)d	<u>No Monthly Operating Reports received since July 1998.</u>
<u>I</u>	Operator, Certified	555.350(2)	<u>Unable to verify how many visits per week operator make due no O&M Log..</u>
	Plant Design	555.330	
<u>OK</u>	System Pressure	555.320(7)	<u>Pressure was 43psig during inspection. But pressure was low or not pressure (plant down) the night of the 16th based on complaints received from residents.</u>
<u>OK</u>	Well, Concrete Apron	555.315(2)(b)5	
<u>X</u>	Wells, Number of	555.315(1)	<u>Problem at the two wells on 11/16/09 made plant to shut-down for various hours. Phone messages were received from residents informing that they were without water (around 9 pm.). Well were operational during the inspection on the 17th at 12 pm, a well pump was replaced..</u>
<u>OK</u>	Well, Raw Sample Tap	555.315(2)f	
	Well, Sanitary Seal	555.330(3)	

Comments: Complaint investigation due to low pressure, and no water on 11/16/09 around 9 pm. Various messages received from residents at Kincaid Hills S/D. During the inspection it was confirmed that facility wells had problems and plant was down, for various hours. The owners were working late at the Well #3, and it appears the well pump was replaced. The old pump was removed and left on the grass beside the well. Plant was operational on the 17th, and pressure was good, 43 psig. But no free chlorine residual at plant or dist. syst. No PN or BWN made on the 17th. Mr. Knowles called and requested to issue a BWN and 2 days of bacts. Many of the previous deficiencies no corrected yet: auxiliary engine no working, a tank still leaking., chlorine chemical does not have NSF seal approval for use in drinking water- for use in swimming pools..

It is required that a written response be provided to this office within fifteen days of receipt of this report regarding any unsatisfactory results listed above.

Inspector:

Blanca R Rodriguez

Blanca Rodriguez, (904) 807-3303

Date:

11/20/09

or e-mail address:

Blanca.Rodriguez@dep.state.fl.us

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

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

See attached deed.

Parcel Identification Numbers:

16189-001-017

16134-022-000

Doc Stamp-Deed: \$203.00



This Instrument Prepared by/Return to:

Stephen C. Booth, Esquire

BOOTH & COOK, P.A.

7510 Ridge Road

Port Richey, Florida 34668

File # 18-031

Consideration: \$29,000.00

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

SPECIAL WARRANTY DEED

THIS INDENTURE, made this 20 day of Feb, 20 18 by and between **KINCAID HILLS WATER COMPANY, a dissolved Florida corporation**, of the County of Alachua and State of Florida, Grantor, whose Post Office Address is: P.O. Box 579, Gainesville, FL 32602-0579, and **GATOR WATERWORKS, INC., a Florida corporation**, of the County of Pasco and State of Florida, Grantee, whose post office address is: 4939 Cross Bayou Blvd., New Port Richey, FL 34652;

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

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

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

SUBJECT TO taxes and assessments accruing subsequent to December 31, 2017.

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

This instrument is given as a winding up of the affairs of the Grantor.

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

GRANTOR:

Signed, sealed and delivered
in our presence:

KINCAID HILLS WATER COMPANY
a dissolved Florida corporation

Terry D. Wilkins
TERRY D. WILKINS
Print name of first witness

Berdell Knowles
Berdell Knowles
President

Victoria W. Wilkins
VICTORIA W. WILKINS
Print name of second witness

State of Florida

County of Duval:

I HEREBY CERTIFY, that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, Berdelle Knowles as President of Kincaid Hills Water Company, a dissolved Florida corporation,

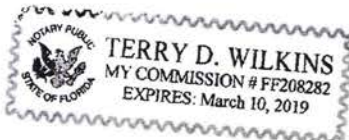
☒ who is personally known to me or
☐ who has produced Florida DRIV. Lic (type of identification) as identification,

and who executed the foregoing instrument and acknowledged before me that he/she/they executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid this 20 day of February, 2018.

my commission expires: 03/10/2019

seal



Terry D. Wilkins
Notary Public
TERRY D. WILKINS
Printed, typed or stamped name of notary

Exhibit "A"

Lot Eighteen (18) and the South One-Half (S 1/2) of Lot Seventeen (17), of BLOCK A, of SHADY LAWN ESTATES, according to the plat thereof recorded in Plat Book "B", Page 14, Public Records of Alachua County, Florida.

AND

The South One-Half (S 1/2) of Lot Twenty Two (22) of KINCAID ROAD SUBDIVISION, as per plat thereof, recorded in Plat Book "E", Page 87, of the Public Records of Alachua County, Florida.

TOGETHER WITH any and all easements or rights to use of the Lands for the existing water system serving Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn subdivisions, whether the same are recorded or unrecorded, so long as the same are beneficial to the existing water system being conveyed by Grantor.

202

RECORDED IN OFFICIAL RECORDS
INSTRUMENT # 3108295 3 PG(S)
February 26, 2018 11:47:47 AM
Book 4578 Page 1226
J.K. 'JESS' IRBY Clerk Of Court
ALACHUA COUNTY, Florida

Prepared by/return to:

Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668
File #18-031



BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that on the 20 day of Feb, 2018, **KINCAID HILLS WATER COMPANY**, a dissolved Florida corporation ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **GATOR WATERWORKS, INC.**, a Florida corporation ("Purchaser"), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement between the parties, dated January 12, 2018 (the "Purchase Agreement"), hereby grant, sell, assign and convey to Purchaser all of Seller's right, title and interest in and to all of the personal property, both tangible and intangible, of the Assets, as such term is defined in the Purchase Agreement, including, but not limited to, the following:

1. All water supply, treatment, storage, distribution and transmission facilities, including, but not limited to, pumps, plants, wells, tanks, transmission mains, distribution mains, supply pipes, collection pipes or facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection with the Utility System, together with all additions or replacements thereto;
2. The following, but only to the extent that Seller's right, title or interest is transferrable: all certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, easements, and all rights to construct, maintain, and operate the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
3. All supplier lists, customer records, prints, plans, including plans in electronic or digital format, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
4. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias, or other reproducible materials in Seller's possession, including right of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form;
5. All rights of Seller under any Developer Agreements, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;
6. All rights and obligations of Seller under the Contracts and Leases, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;

Notwithstanding the foregoing, Seller does not hereby convey to Purchaser those certain Excluded Assets, as such term is defined and described in the Purchase Agreement.

Seller represents and warrants that it is providing all of its ownership interest in and to the above-referenced property and has removed or provided for the removal of all liens, security interests or encumbrances.

All capitalized terms utilized herein, and not otherwise defined herein, shall have the meanings ascribed thereto in the Purchase Agreement. The terms and conditions contained in the Purchase Agreement are incorporated herein by reference.

Seller makes no representation as to the condition of the Assets. Purchaser acknowledges that it is acquiring the Assets "as-is".

This instrument is given as a winding up of the affairs of the Seller.

IN WITNESS WHEREOF, this instrument shall be effective as of the date first above written.

SELLER:

Signed, sealed and delivered in the presence of:

KINCAID HILLS WATER COMPANY
A dissolved Florida corporation

Signature

Terry D. Wilkins
Type/print name of witness

Berdell Knowles
Berdell Knowles, President

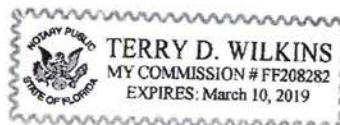
Signature

Victoria W. Wilkins
Type/print name of witness

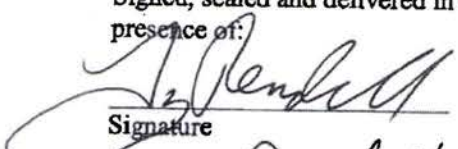
STATE OF FLORIDA
COUNTY OF DADE

The foregoing instrument was acknowledged before me this 20 day of February, 2018 by Berdell Knowles, as President of Kincaid Hills Water Company, a dissolved Florida corporation, on behalf of the dissolved corporation as a winding up of its affairs. He is personally known to me or has produced NOTARIAL CERTIFICATE as identification.

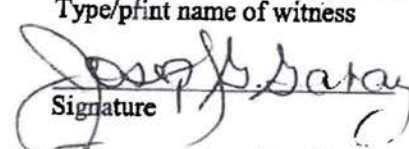
Notary Public



Signed, sealed and delivered in the
presence of:


Signature

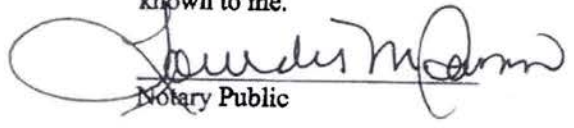
Troy Rendell
Type/print name of witness

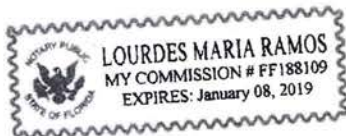

Signature

Joseph B. Gabay
Type/print name of witness

STATE OF FLORIDA
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 15 day of February, 2018 by Gary Deremer as President on behalf of said Gator Waterworks, Inc., a Florida corporation. He is personally known to me.


Notary Public



BUYER:

Gator Waterworks, Inc.
A Florida corporation

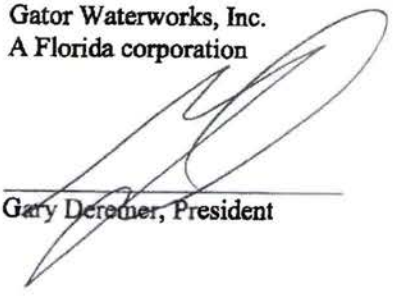

Gary Deremer, President

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

A copy of the utility's current permits from the DEP and the water management district.

See attached.



**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

NORTHEAST DISTRICT
8800 BAYMEADOWS WAY WEST, SUITE 100
JACKSONVILLE, FLORIDA 32256

RICK SCOTT
GOVERNOR

CARLOS LOPEZ-CANTERA
LT. GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

April 16, 2014
ELECTRONIC CORRESPONDENCE

**In the Matter of an
Application for Permit by:**

Mr. Berdell Knowles, Sr.
Owner
Kincaid Hills Water Company
Post Office Box 15016
Gainesville, Florida 32604
Email: kincaidhillswaterco@yahoo.com

DEP File No.: 0325725-001-WC
Alachua County

NOTICE OF PERMIT ISSUANCE

Enclosed is Permit Number 0325725-001-WC to re-rate the capacity of the WTP issued pursuant to Chapter 403.087(1), Florida Statutes.

This permit is final and effective on the date filed with the clerk of the Department unless a petition is filed in accordance with the paragraphs below or unless a request for extension of time in which to file a petition is filed within the required timeframe and conforms to Rule 62-110.106(4), F.A.C. Upon timely filing of a petition or a request for an extension, this permit will not be effective until further Order of the Department.

A person whose substantial interests are affected by this permit may petition for an administrative proceeding (hearing) in accordance with sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) with the Agency Clerk for the Department of Environmental Protection, Office of General Counsel, Mail Station 35, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000, within 14 days of receipt of this Notice. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under sections 120.569 and 120.57 of the Florida Statutes. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-106.205, F.A.C.

A petition must contain the following information:

- (a) The name and address of each agency affected and each agency's file or identification number, if known;
- (b) The name, address, and telephone number of the petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination;
- (c) A statement of how and when the petitioner received notice of the agency decision;

Permittee:
Kincaid Hills Water Company
Mr. Berdell Knowles, Sr.
Page 2

DEP File No.:
0325725-001-WC

- (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- (e) A concise statement of the ultimate facts alleged, including the specific facts which petitioner contends warrant reversal or modification of the Department's action;
- (f) A statement of the specific rules or statutes the petitioner contends requires reversal or modification of the Department's action, including an explanation of how the alleged facts relate to the specific rules or statutes; and
- (g) A statement of the relief sought by petitioner, stating precisely the action that the petitioner wants the Department to take.

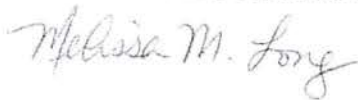
A petition that does not dispute the materials facts on which the Department's action is based shall state that no such facts are in dispute and otherwise contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that, the Department's final action may be different from the position taken by it in this Notice. Persons whose substantial interests will be affected by any such final decision of the Department on the petition have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

When the Order (Permit) is final, any party to the Order has the right to seek judicial review of the Order pursuant to section 120.68 of the Florida Statutes, by filing a Notice of Appeal pursuant to Rule 9.110 of the Florida Rules of Appellate Procedure, with the Clerk of the Department in the Office of General Counsel, Mail Station 35, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000; and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate district court of appeal. The notice of appeal must be filed within 30 days from the date when the final order is filed with the Clerk of the Department.

Executed in Jacksonville, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



Melissa M. Long, P.E.
Program Administrator
Water and Environmental Resource Permitting
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256
(904) 256-1700

Permittee:
Kincaid Hills Water Company
Mr. Berdell Knowles, Sr.
Page 3

DEP File No.:
0325725-001-WC

CERTIFICATION OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Notice of Permit Issuance and all copies were mailed/electronically transmitted before the close of business on April 16, 2014 to those persons listed.

FILING AND ACKNOWLEDGEMENT

Filed, on this date, under section 120.52(7), Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Antonia R. Lomen
Clerk

April 16, 2014
Date

Copies furnished to:

cc: Mr. Mark Cadenhead, P.E., Cadenhead Environmental Engineering Services, Inc.
Mr. Rick Tisdale, Two Fold Water Engineering



**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

NORTHEAST DISTRICT
8800 BAYMEADOWS WAY WEST, SUITE 100
JACKSONVILLE, FLORIDA 32256

RICK SCOTT
GOVERNOR

CARLOS LOPEZ-CANTERA
LT. GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

**April 16, 2014
ELECTRONIC CORRESPONDENCE**

PERMITTEE:

Mr. Berdell Knowles, Sr.
Post Office Box 15016
Gainesville, Florida 32604

PUBLIC WATER SYSTEM ID: 2010612

PERMIT NUMBER: 0325725-001-WC

DATE OF ISSUE: April 16, 2014

EXPIRATION DATE: April 15, 2019

COUNTY: Alachua

PROJECT: Capacity Re-rating

This permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-550, 62-555 and 62-560. The above named permittee is hereby authorized to perform the work or operate the facility shown on the application and approved drawings, plans, and other documents attached hereto or on file with the Department and made a part hereof and specifically described as follows:

TO CONSTRUCT: re-rate the capacity of the WTP

PROPOSED CONSTRUCTION INCLUDES:

Disconnect and sever the line to the existing 5,000 gallon hydropneumatic tank. Continue use of the 3,000 gallon hydropneumatic tank only. The 1,000 gallon flow-through tank remains in service also for contact time for chlorination and disinfection. Provided capacity calculations for existing and proposed operating scenarios to establish the maximum daily flow capacity with the 5,000 gallon tank out of service. The re-rated permitted maximum day operating capacity of the water treatment plant (WTP) is 236,400 gpd.

IN ACCORDANCE WITH: Permit application package

LOCATION: Project is located at the existing WTP site at 3260 SE 19th Avenue, which is south of State Road 20 and State Road 26 and east of SE 27th Street in the southeast section of Gainesville, Alachua County, Florida.

Work must be conducted in accordance with the General and Specific Conditions, attached hereto.

This space intentionally left blank

Permittee:
Kincaid Hills Water Company
Mr. Berdell Knowles, Sr.
Page 2

DEP File No.:
0325725-001-WC

GENERAL CONDITIONS:

The permittee shall be aware of and operate under the Permit Conditions below. These applicable conditions are binding upon the permittee and enforceable pursuant to Chapter 403, Florida Statutes. *[F.A.C. Rule 62-555.533(1)]*

1. The terms, conditions, requirements, limitations and restrictions set forth in this permit, are "permit conditions" and are binding and enforceable pursuant to Sections 403.141, 403.727, or 403.859 through 403.861, F.S. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.
2. This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings, exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
3. As provided in subsections 403.087(6) and 403.722(5), F.S., the issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state, or local laws or regulations. This permit is not a waiver of or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in this permit.
4. This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
5. This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
6. The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed and used by the permittee to achieve compliance with the conditions of this permit, are required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.
7. The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law and at reasonable times, access to the premises where the permitted activity is located or conducted to:
 - a. Have access to and copy any records that must be kept under conditions of the permit;
 - b. Inspect the facility, equipment, practices, or operations regulated or required under this permit; and
 - c. Sample or monitor any substances or parameters at any location reasonable necessary to assure compliance with this permit or Department rules.

Reasonable time may depend on the nature of the concern being investigated.

8. If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:
 - a. A description of and cause of noncompliance; and
 - b. The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue, and steps being taken to educe, eliminate, and prevent recurrence of the noncompliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by the Department for penalties or for revocation of this permit.
9. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is prescribed by Section 403.111 and 403.73, F.S. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.
10. The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance; provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules. A reasonable time for compliance with a new or amended surface water quality standard, other than those standards addressed in Rule 62-302.500, shall include a reasonable time to obtain or be denied a mixing zone for the new or amended standard.
11. This permit is transferable only upon Department approval in accordance with Rule 62-4.120 and 62-730.300 F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Department.
12. This permit or a copy thereof shall be kept at the work site of the permitted activity.
13. This permit also constitutes:
 - a. Determination of Best Available Control Technology (BACT)
 - b. Determination of Prevention of Significant Deterioration (PSD)
 - c. Certification of compliance with state Water Quality Standards (Section 401, PL 92-500)
 - d. Compliance with New Source Performance Standards
14. The permittee shall comply with the following:
 - a. Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.
 - b. The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application for this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Department rule.
 - c. Records of monitoring information shall include:

Permittee:
Kincaid Hills Water Company
Mr. Berdell Knowles, Sr.
Page 4

DEP File No.:
0325725-001-WC

1. the date, exact place, and time of sampling or measurements;
 2. the person responsible for performing the sampling or measurements;
 3. the dates analyses were performed;
 4. the person responsible for performing the analyses;
 5. the analytical techniques or methods used;
 6. the results of such analyses.
15. When requested by the Department, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware the relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.

SPECIFIC CONDITIONS:

1. All construction must be in accordance with this permit. Before commencing work on project changes for which a construction permit modification is required per 62-555.536(1), the permittee shall submit to the Department a written request for a permit modification. Each such request shall be accompanied by one copy of a revised construction permit application, the proper processing fee and one copy of either a revised preliminary design report or revised drawings, specifications and design data. *[F.A.C. Rule 62-555.536]*
2. Permitted construction or alteration of public water supply systems must be supervised during construction by a professional engineer registered in the State of Florida if the project was designed under the responsible charge of a professional engineer licensed in the State of Florida. The permittee must retain the service of a professional engineer registered in the State of Florida to observe that construction of the project is in accordance with the engineering plans and specifications as submitted in support of the application for this permit. *[F.A.C. Rule 62-555.520(3)]*
3. If prehistoric or historic artifacts, such as pottery or ceramics, stone tools or metal implements, dugout canoe remains, or any other physical remains that could be associated with Native American cultures, or early colonial or American settlement are encountered at any time within the project site area, the permitted project should cease all activities involving subsurface disturbance in the immediate vicinity of such discoveries. The permittee, or other designee, should contact the Florida Department of State, Division of Historical Resources, Compliance and Review Section at 850.245.6333 or 800.847.7278, as well as the appropriate permitting agency office. Project activities should not resume without verbal and/or written authorization from the Division of Historical Resources and the permitting agency. In the event that unmarked human remains are encountered during permitted activities, all work shall stop immediately and the proper authorities notified in accordance with Section 872.05, Florida Statutes.
4. In accordance with General Condition #11 of this permit, this permit is transferable only upon Department approval. Persons proposing to transfer this permit must apply jointly for a transfer of the permit within 30 days after the sale or legal transfer of ownership of the permitted project that has not been cleared for service by the Department using form, 62-555.900(8), Application for Transfer of a PWS Construction Permit along with the appropriate fee. *[F.A.C. Rule 62-555.536(5)]*

Permittee:
Kincaid Hills Water Company
Mr. Berdell Knowles, Sr.
Page 5

DEP File No.:
0325725-001-WC

5. This permit satisfies Drinking Water permitting requirements only and does not authorize construction or operation of this facility prior to obtaining all other necessary permits from other program areas within the Department, or required permits from other state, federal, or local agencies.
6. Permittee shall ensure that the well and drinking water treatment facilities will be protected to prevent tampering, vandalism, and sabotage as required by Rule 62-555.315(1) & 62-555.320(5), F.A.C.
7. All products, including paints, which shall come into contact with potable water, either directly or indirectly, shall conform with National Sanitation Foundation (NSF) International, Water Chemicals Codex, Food Chemicals Codex, American Water Works Association (AWWA) Standards and the Food and Drug Administration, as provided in Rule 62-555.320(3), F.A.C.
8. Water supply facilities, including mains, pipe, fittings, valves, fire hydrants and other materials shall be installed in accordance with the latest applicable AWWA Standards and Department rules and regulations. The system shall be pressure and leak tested in accordance with AWWA Standard C600 C603, or C605, as applicable, and disinfected in accordance with AWWA Standard C651-653, as well as in accordance with Rule 62-555.340, F.A.C.
9. The installation or repairs of any public water system, or any plumbing in residential or nonresidential facilities providing water for human consumption, which is connected to a public water system shall be lead free in accordance with Rule 62-555.322, F.A.C.
10. The new or altered aboveground piping at the drinking water treatment plant shall be color coded and labeled as recommended in Section 2.14 of "Recommended Standards for Water Works, 1997 Edition". *[F.A.C. Rule 62-555.320(10)]*
11. Permittee shall ensure that there shall be no cross-connection with any non-potable water source in accordance with Rule 62-555.360, F.A.C.
12. The supplier of water shall operate and maintain the public water system so as to comply with applicable standards in F.A.C. Rule 62-550 and 62-555.350.
13. The permittee shall provide an operation and maintenance manual for the new or altered treatment facilities to fulfill the requirements under subsection 62-555.350(13), F.A.C. The manual shall contain operation and control procedures, and preventative maintenance and repair procedures, for all plant equipment and shall be made available for reference at the plant or at a convenient location near the plant. Bound and indexed equipment manufacturer manuals shall be considered sufficient to meet the requirements of the subsection.
14. The permittee shall submit a monthly operations report (MOR) DEP Form 62-555.900(x), to the Department no later than the tenth of each succeeding month. (Note x depends upon type of treatment)
15. Permittee shall follow the guidelines of Chapters 62-550, 62-555, and 62-560, F.A.C., regarding public drinking water system standards, monitoring, reporting, permitting, construction, and operation.

Permittee:
Kincaid Hills Water Company
Mr. Berdell Knowles, Sr.
Page 6

DEP File No.:
0325725-001-WC

16. The permittee shall have complete record drawings produced for the project in accordance with Rule 62-555.530(4), F.A.C.
17. The permittee or suppliers of water shall telephone the State Warning Point (SWP), at 1-800-320-0519 immediately (i.e., within two hours) after discovery of any actual or suspected sabotage or security breach, or any suspicious incident, involving a public water system in accordance with the F.A.C. Rule 62-555.350(10).
18. The permittee must instruct the engineer of record to request system clearance from the Department within sixty (60) days of completion of construction, testing and disinfecting the system. Bacteriological test results shall be considered unacceptable if the test were completed more than 60 days before the Department received the results. [F.A.C. Rule 62-555.340(2)(c)]
19. This facility is a Community Water System as defined in F.A.C. Rule 62-550.200(12) and shall comply with the applicable chemical, radiological, lead and copper, and bacteriological monitoring requirements of F.A.C. Rule 62-550. Such requirements shall be initiated within the quarter that the water treatment facility is placed into service (i.e. January—March or April—June, the preceding are examples of quarters) and the results submitted to the Department.
20. The water treatment plant shall maintain throughout the distribution system a minimum continuous and effective free chlorine residual of 0.2 mg/l or its equivalent. A minimum system pressure of 20 psi must be maintained throughout the system. Also, safety equipment shall be provided and located outside of chlorine room.
21. The facility has been classified as a Category V, Class D water treatment plant. Accordingly, the lead or chief operator must be Class D or higher. Proof of staffing by a Class D or higher operator for 3 visits/week on nonconsecutive days for a total of 0.3 hour/week must be provided. [F.A.C. Rule 62-699.310]
22. The hydropneumatic tank that will be utilized for this project must meet ASME code requirements for the construction and installation of unfired pressure vessels, as provided in Rule 62-555.320(20), F.A.C., and Section 7.2 of *Recommended Standards for Water Works*, a manual adopted by reference in Rule 62-555.330(3), F.A.C.
23. Prior to placing this project into service, Permittee shall submit, at a minimum, all of the following to the Department for evaluation and approval for operation, as provided in Rules 62-555.340 and 62-555.345, F.A.C.:
 - a. the engineer's *Certification of Construction Completion and Request for Clearance to Place Permitted PWS Components Into Operation* {DEP Form 62-555.900(9)};
 - b. certified record drawings, if there are any changes noted for the permitted project.
 - c. two consecutive days of satisfactory distribution bacteriological analytical results.In order to facilitate the issuance of a letter of clearance, the Department requests that all of the above information be submitted as one package.
24. The new facilities shall be cleaned, disinfected, and bacteriologically cleared in accordance with Chapter 62-555, F.A.C. The bacteriological clearance data representative of the storage tank (two samples on consecutive days), the well discharge piping and distribution system (in accordance with the instructions for Bacteriological Sampling Locations shown below) and the untreated well water

Permittee:
Kincaid Hills Water Company
Mr. Berdell Knowles, Sr.
Page 7

DEP File No.:
0325725-001-WC

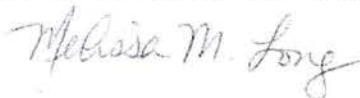
(two samples per day for 5 consecutive days collected at least six hours apart for each of the two wells) shall be submitted to the Department with the engineer's certification of construction completion. [Section 62-555.340 and 62-555.315(6)(b), F.A.C.]

Bacteriological Sampling Locations: Copies of satisfactory bacteriological analyses taken from locations within the distribution system or water main extension to be cleared, in accordance with Rules 62-555.315 (6), 62-555.340 and 62-555.330, F.A.C. and American Water Works Association (AWWA) Standard C 651-92 as follows:

- *The endpoint of the proposed addition;*
- *Any water lines branching off a main extension;*
- *Every 1,200 feet of water main;*
- *Each location shall be sampled on two separate days (at least 6 hours apart) with sample point locations and chlorine residual readings **clearly indicated** on the report and/or drawings.*
- *Bacteriological sample results will be considered unacceptable if the tests were completed more than 60 days before the Department receives the results.*

Issued on April 16, 2014

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



Melissa M. Long, P.E.
Program Administrator
Water and Environmental Resource Permitting

CONSUMPTIVE USE TECHNICAL STAFF REPORT

March 6, 2006

Application No. 11343

OWNER/
APPLICANT

Kincaid Hills Water Company
Attention: Berdell Knowles
P. O. Box 579
Gainesville, FL 32602

COMPLIANCE: Same as Applicant
CONTACT: Same as Applicant

PROJECT NAME: Kincaid Hills Water Co.

LOCATION: Alachua County

WATER USE SUMMARY:

Staff's Recommendation:

38.3 million gallons per year (mgd) of ground water from the Floridan aquifer for public supply type use of an estimated 838 people.

Recommended Permit Duration and Compliance Reporting:

A 20-year permit is recommended with no compliance reports required pursuant to section 373.236(3), Florida Statutes. The permittee is required to comply with, and submit all information and data required by, the limiting conditions set forth in the permit.

OBJECTORS: None known

USE STATUS:

The permit for this project expired therefore this is being reviewed as a new permit. This application is for public supply type use. The applicant requests utilization of ground water from the Floridan aquifer to supply this residential area. The recommended allocation is for 0.105 million gallons per day (mgd). The recommended permit duration is twenty years.

AUTHORIZATION:

The District authorizes, as limited by the attached permit conditions, the use of 38.3 million gallons per year of ground water from the Floridan aquifer to provide for an estimated population of 838 people.

TIMEFRAMES:


Application submitted:	07/22/05
1 st RAI mailed:	8/18/05
1 st RAI response received:	2/10/06
90 th Day:	5/11/06

PROJECT DESCRIPTION:

Project Location and Background

This project is located east of Gainesville on the south side of State Road 20 in Alachua County.

Water Supply System Description



Currently, water is supplied to this project by one existing 4-inch diameter Floridan well and one existing 6-inch diameter Floridan well, identified as wells 1 (GRS ID 3405) and 2 (GRS ID 3406). The existing 8-inch diameter well identified as 3 (GRS ID 3407) is for domestic use only. The existing 4-inch diameter well identified as 4 (GRS ID 3408) and the existing 6-inch diameter well identified as 5 (GRS ID 3409) are used for back up. A well table is provided as Attachment A.

All water withdrawn from the wells will be monitored through the use of totalizing flow meters.

Water Use Description

	<u>2006</u>	<u>20 years</u>
Population served	838	838
Household average daily use (mgd)	0.105	0.105
Average gpcd (household)	125.2	125.2
Use classification:	38.3 mgy household (100.0%)	

PERMIT APPLICATION REVIEW:

Section 373.223, Florida Statutes (F.S.) and section 40C-2.301, Florida Administrative Code (F.A.C.) require a consumptive use applicant to establish that the proposed use of water:

- (a) is a reasonable beneficial use;
- (b) will not interfere with any presently existing legal use of water; and
- (c) is consistent with the public interest.

In addition, the above requirements are detailed further in the District's Applicant's Handbook: Consumptive Uses of Water, April 10, 2002. District staff have reviewed the consumptive use permit application pursuant to the above-described requirements and determined that the application meets the conditions for issuance of this permit. Highlights of the staff review are provided below.

Reasonable Beneficial Use Criteria

Staff evaluated whether the use of water proposed in this application meets District reasonable-beneficial use criteria. In performing the evaluation, staff evaluated whether the proposed use meets all the applicable criteria set forth in section 10.3 of the CUP Applicant's Handbook. Staff specifically reviewed and considered the hydrogeology and water resources of the area, results from ground water flow modeling, and water conservation information. Based on the review of the above information and associated evaluation, staff have concluded that the applicant has provided reasonable assurance that the proposed use of water meets the District's reasonable-beneficial use criteria.

Because of the location and nature of this proposed use of water, staff paid particular attention to District criteria regarding demonstration of need, reduction of environmental harm, salt-water intrusion, capability of the source of water, efficient use and water conservation, and potential for violation of water quality standards. Descriptions of staff's evaluation of these criteria are discussed below.

Staff evaluated whether the proposed withdrawal of ground water from the existing Floridan aquifer wells for public supply type use is in such quantity as is necessary for economic and efficient utilization. Since the proposed use is public supply use, section 12.2 A.H. applies. Section 12.2 A.H. provides that the reasonable need for a requested allocation must be demonstrated by the applicant. The applicant has demonstrated a need for at least 105,000 gallons per day on an average annual basis. Since the amount of water proposed for sale to residential customers is reasonable in that the applicant is not requesting more water than is needed for the intended public supply, staff concluded that the quantity requested for the proposed use is necessary for economic and efficient utilization. Demands projected for water use are based upon actual usage for a five-year period beginning 2000. Average annual demand was projected based upon a daily average calculated over the duration. Staff concluded that reasonable assurances have been provided that the proposed use of water is in such quantity as is necessary for economic and efficient utilization pursuant to sections 10.3(a) provided the permittee complies with the conditions recommended for this permit.

In order for a use to be considered reasonable-beneficial, the environmental or economic harm caused by the proposed consumptive use must be reduced to an acceptable amount. Staff evaluated whether the proposed withdrawal of water would have an adverse impact to ground water levels utilizing the Twolayer model. This model uses a linear analytical solution to calculate the amount of drawdown in a coupled, two-layered, leaky aquifer system. The method assumes that homogeneous and isotropic conditions are present in the aquifer system and simulates steady-state conditions. Results of the model at the total average pumping rate of 0.1 million gallons per day predicted a negligible drawdown in the surficial aquifer and a maximum drawdown of 0.84 feet in the Floridan aquifer at the wellheads. As a result, District staff does not anticipate any appreciable drawdown that would incur future adverse impacts to ground water levels as a result of this proposed use and have also concluded that the source is capable of producing the withdrawal rate requested.

There currently is no lower quality water source such as reclaimed water or surface/storm water available for irrigation. However, the applicant will be required by condition of this permit to use lower quality water if it becomes economically, environmentally or technologically feasible over the duration of this permit.

A water conservation plan was submitted with the application pursuant to Section 12.2.5 A.H. The following are water conservation measures currently implemented by the applicant.

1. The applicant uses special mailings to provide water conservation tips and information to customers.
2. Seek employee's ideas for water conservation, using contests, suggestion boxes or other incentives.
3. Provides information for applicable local water conservation ordinances.

Staff concluded that reasonable assurances have been provided that all available water conservation measures will be implemented for the proposed use pursuant to 10.3(e), A.H., provided the permittee complies with the conditions recommended for this permit.

Vertical migration of water with higher levels of chlorides has not been observed in Floridan wells in the vicinity of the subject property, therefore salt water intrusion at the existing well withdrawal points is not anticipated. Staff concluded that reasonable assurances have been provided that the proposed use will not cause or further aggravate existing saline water intrusion problems pursuant to sections 10.3(h) and 9.4.2, A.H., provided the permittee complies with the conditions recommended for this permit.

Staff evaluated whether any of the Reasons for Denial set forth in section 9.4 of the CUP Applicant's Handbook apply to this application and have concluded that none of these criteria apply to this application.

Interference with Existing Legal Uses of Water

A consumptive use must not cause an interference with a legal use of water which existed at the time of the application for the initial consumptive use permit. Staff reviewed the application to determine if the proposed use meets this criterion. Results of ground water modeling performed were reviewed by staff to determine if the withdrawals proposed for public supply would cause an interference with any existing legal users. The results of the model at the total average pumping rate of 0.1 million gallons per day predicted a negligible drawdown in the surficial aquifer and a maximum drawdown of 0.84 feet in the Floridan aquifer at the wellheads. Predicted drawdowns in the Floridan aquifer decrease as one moves away from the withdrawal point. These predicted drawdowns are not large enough to cause adverse impacts to existing legal users of Floridan wells in the area.

Staff concluded that reasonable assurances have been provided that the proposed use will not cause an interference with a legal use of water which existed at the time of the application for the initial consumptive use permit pursuant to sections 9.2.1, 9.2.2 and 9.4.4, A.H., provided the permittee complies with the conditions recommended for this permit.

Public Interest

Staff evaluated the permit application in terms of whether or not the consumptive use is consistent with the public interest. The proposal to use ground water from the Floridan aquifer to supply water to residents can be considered beneficial to the collective well being of the people. Section 9.3, A.H., defines public interest as "those rights and claims on behalf of people in general" and provides that "in determining the public interest in consumptive use permitting decisions, the Board will consider whether an existing or proposed use is beneficial or detrimental to the overall collective well-being of the people or to the water resource in the area, the District, and the State." Since the proposed use of water is ultimately for human consumption, constitutes a bona-fide economic activity, will not adversely affect water resources, and qualifies as a reasonable-beneficial use based on the factors listed in 40C-2.301(4)(a), (b), (d), (e), (f), (g), (i) and (k), F.A.C., and since none of the reasons for denial relating to saline water intrusion, water use reservations, minimum flows and levels, and water table/surface water levels apply to the proposed use, staff has determined that the proposed use is consistent with the public interest pursuant to section 9.3, A.H., provided the permittee complies with the conditions recommended for this permit.

PERMIT DURATION:

The applicant requested a 20-year permit. Section 6.5.1, A.H. states that when requested by an applicant, a consumptive use permit shall have a duration of 20 years provided that applicant provides reasonable assurance that the proposed use meets the conditions for issuance in section 40C-2.301, F.A.C., and the criteria in Part II, A.H., for the requested 20 year permit duration. Staff has concluded that the applicant has met the above requirements and is therefore recommending issuance of a 20-year permit.

RECOMMENDATION:

Staff has concluded that the proposed use, as limited by the attached permit conditions, is reasonable-beneficial, will not cause or contribute to interference with existing legal uses, and is consistent with the public interest. Therefore, staff recommends approval for this application.

GENERAL CONDITIONS: (see condition sheet) 1-8

SPECIAL CONDITIONS: (see condition sheet)

OTHER CONDITIONS:

1. All submittals made to demonstrate compliance with this permit must include the CUP number 11343 plainly labeled.
2. This permit will expire March 6, 2026.
3. Maximum annual ground water withdrawals from the Floridan aquifer for household type use must not exceed 38.3 million gallons.
4. Wells number 1 (GRS ID 3405), 2 (GRS ID 3406), 3 (GRS ID 3407), 4 (GRS ID 3408) and 5 (GRS ID 3409) (as listed on the application) are equipped with

totalizing flow meters. These meters must maintain 95% accuracy, be verifiable and be installed according to the manufacturer's specifications.

5. Withdrawals from wells number 1 (GRS ID 3405), 2 (GRS ID 3406), 4 (GRS ID 3408) and 5 (GRS ID 3409) must be recorded continuously, totaled monthly, and reported to the District at least every six months from the initiation of the monitoring using Form No. EN-50. The reporting dates each year will be as follows for the duration of the permit:

Reporting Period	Report Due Date
January - June	July 31
July - December	January 31

6. The permittee must have all flow meters checked for accuracy every 3 years within 30 days of the anniversary date of permit issuance, and recalibrated if the difference between the actual flow and the meter reading is greater than 5%. District Form No. EN-51 must be submitted to the District within 10 days of the inspection/calibration.
7. The permittee must maintain all flow meters. In case of failure or breakdown of any meter, the District must be notified in writing within 5 days of its discovery. A defective meter must be repaired or replaced within 30 days of its discovery.
8. The permittee must continue to implement the Water Conservation Plans submitted to the District on August 9, 2005 in accordance with the schedules contained therein.
9. The lowest quality water source, such as reclaimed water and surface/storm water, must be used as irrigation water when deemed feasible pursuant to District rules and applicable state law.

REVIEWER:

Randall Motes
Marc Minno



St. Johns River Water Management District

Kirby B. Green III, Executive Director • David W. Fisk, Assistant Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500

On the Internet at www.sjrwmd.com.

April 21, 2006

Kincaid Hills Water Company
PO Box 579
Gainesville, FL 32602

SUBJECT: Consumptive Use Permit Number 11343
Kincaid Hills Water Co.

Dear Sir/Madam:

Enclosed is your permit and the forms necessary for submitting information to comply with conditions of the permit as authorized by the St. Johns River Water Management District on April 21, 2006.

Please be advised that the period of time within which a third party may request an administrative hearing on this permit may not have expired by the date of issuance. A potential petitioner has twenty-six (26) days from the date on which the actual notice is deposited in the mail, or twenty-one (21) days from publication of this notice when actual notice is not provided, within which to file a petition for an administrative hearing pursuant to Sections 120.569 and 120.57, Florida Statutes. Receipt of such a petition by the District may result in this permit becoming null and void.

Permit issuance does not relieve you from the responsibility of obtaining permits from any federal, state and/or local agencies asserting concurrent jurisdiction over this work.

The enclosed permit is a legal document and should be kept with your other important records. Please read the permit and conditions carefully since the referenced conditions may require submittal of additional information. All information submitted as compliance with permit conditions must be submitted to the nearest District Service Center and should include the above referenced permit number.

Sincerely,

Gloria Lewis, Director
Permit Data Services Division

Enclosures: Permit, Conditions for Issuance, Compliance Forms, Map, Well Tags

cc: District Permit File

Agent: Mr Berdell Knowles
PO Box 579
Gainesville, FL 32602

GOVERNING BOARD

David G. Graham, CHAIRMAN JACKSONVILLE	John G. Sowinski, VICE CHAIRMAN ORLANDO	Ann T. Moore, SECRETARY BUNNELL	Duane L. Otenstroer, TREASURER JACKSONVILLE
R. Clay Albright OCALA	Susan N. Hughes PONTE VEDRA	William W. Kerr MELBOURNE BEACH	Ometrias D. Long APOPKA
			W. Leonard Wood FERNANDINA BEACH

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 11343
KINCAID HILLS WATER COMPANY
DATED APRIL 21, 2006

1. District Authorized staff, upon proper identification, will have permission to enter, inspect and observe permitted and related facilities in order to determine compliance with the approved plans, specifications and conditions of this permit.
2. Nothing in this permit should be construed to limit the authority of the St. Johns River Water Management District to declare a water shortage and issue orders pursuant to Section 373.175, Florida Statutes, or to formulate a plan for implementation during periods of water shortage, pursuant to Section 373.246, Florida Statutes. In the event a water shortage, is declared by the District Governing Board, the permittee must adhere to the water shortage restriction as specified by the District, even though the specified water shortage restrictions may be inconsistent with the terms and conditions of this permit.
3. Prior to the construction, modification, or abandonment of a well, the permittee must obtain a Water Well Construction Permit from the St. Johns River Water Management District, or the appropriate local government pursuant to Chapter 40C-3, Florida Administrative Code. Construction, modification, or abandonment of a well will require modification of the consumptive use permit when such construction, modification or abandonment is other than that specified and described on the consumptive use permit application form.
4. Leaking or inoperative well casings, valves, or controls must be repaired or replaced as required to eliminate the leak or make the system fully operational.
5. Legal uses of water existing at the time of the permit application may not be interfered with by the consumptive use. If unanticipated interference occurs, the District may revoke the permit in whole or in part to curtail or abate the interference unless the permittee mitigates for the interference. In those cases where other permit holders are identified by the District as also contributing to the interference, the permittee may choose to mitigate in a cooperative effort with these other permittees. The permittee must submit a mitigation plan to the District for approval prior to implementing such mitigation.
6. Off-site land uses existing at the time of permit application may not be significantly adversely impacted as a result of the consumptive use. If unanticipated significant adverse impacts occur, the District shall revoke the permit in whole or in part to curtail or abate the adverse impacts, unless the impacts can be mitigated by the permittee.
7. The District must be notified, in writing, within 30 days of any sale, conveyance, or other transfer of a well or facility from which the permitted consumptive use is made or within 30 days of any transfer of ownership or control of the real property at which the permitted consumptive use is located. All transfers of ownership or transfers of permits are subject to the provisions of section 40C-1.612, Florida Administrative Code.
8. A District-issued identification tag shall be prominently displayed at each withdrawal site by permanently affixing such tag to the pump, headgate, valve or other withdrawal facility as provided by Section 40C-2.401, Florida Administrative Code. Permittee shall notify the District in the event that a replacement tag is needed.
9. All submittals made to demonstrate compliance with this permit must include the CUP number 11343 plainly labeled.
10. This permit will expire March 6, 2026.

11. Maximum annual ground water withdrawals from the Floridan aquifer for household type use must not exceed 38.3 million gallons.
12. Wells number 1 (GRS ID 3405), 2 (GRS ID 3406), 3 (GRS ID 3407), 4 (GRS ID 3408) and 5 (GRS ID 3409) (as listed on the application) are equipped with totalizing flow meters. These meters must maintain 95% accuracy, be verifiable and be installed according to the manufacturer's specifications.

13. Withdrawals from wells number 1 (GRS ID 3405), 2 (GRS ID 3406), 4 (GRS ID 3408) and 5 (GRS ID 3409) must be recorded continuously, totaled monthly, and reported to the District at least every six months from the initiation of the monitoring using Form No. EN-50. The reporting dates each year will be as follows for the duration of the permit:

Reporting Period	Report Due Date
January - June	July 31
July - December	January 31

14. The permittee must have all flow meters checked for accuracy every 3 years within 30 days of the anniversary date of permit issuance, and recalibrated if the difference between the actual flow and the meter reading is greater than 5%. District Form No. EN-51 must be submitted to the District within 10 days of the inspection/calibration.
15. The permittee must maintain all flow meters. In case of failure or breakdown of any meter, the District must be notified in writing within 5 days of its discovery. A defective meter must be repaired or replaced within 30 days of its discovery.
16. The permittee must continue to implement the Water Conservation Plans submitted to the District on August 9, 2005 in accordance with the schedules contained therein.
17. The lowest quality water source, such as reclaimed water and surface/storm water, must be used as irrigation water when deemed feasible pursuant to District rules and applicable state law.

Notice Of Rights

1. A person whose substantial interests are or may be determined has the right to request an administrative hearing by filing a written petition with the St. Johns River Water Management District (District), or may choose to pursue mediation as an alternative remedy under Sections 120.569 and 120.573, Florida Statutes, before the deadline for filing a petition. Choosing mediation will not adversely affect the rights to a hearing if mediation does not result in a settlement. The procedures for pursuing mediation are set forth in Sections 120.569 and 120.57, Florida Statutes, and Rules 28-106.111 and 28-106.401-.405, Florida Administrative Code. Pursuant to Chapter 28-106 and Rule 40C-1.1007, Florida Administrative Code, the petition must be filed at the office of the District Clerk at District Headquarters, P. O. Box 1429, Palatka, Florida 32178-1429 (4049 Reid St., Palatka, FL 32177) within twenty-six (26) days of the District depositing notice of District decision in the mail (for those persons to whom the District mails actual notice) or within twenty-one (21) days of newspaper publication of the notice of District decision (for those persons to whom the District does not mail actual notice). A petition must comply with Chapter 28-106, Florida Administrative Code.
2. If the Governing Board takes action which substantially differs from the notice of District decision, a person whose substantial interests are or may be determined has the right to request an administrative hearing or may choose to pursue mediation as an alternative remedy as described above. Pursuant to District Rule 40C-1.1007, Florida Administrative Code, the petition must be filed at the office of the District Clerk at the address described above, within twenty-six (26) days of the District depositing notice of final District decision in the mail (for those persons to whom the District mails actual notice) or within twenty-one (21) days of newspaper publication of the notice of its final agency action (for those persons to whom the District does not mail actual notice). Such a petition must comply with Rule Chapter 28-106, Florida Administrative Code.
3. A substantially interested person has the right to a formal administrative hearing pursuant to Section 120.569 and 120.57(1), Florida Statutes, where there is a dispute between the District and the party regarding an issue of material fact. A petition for formal must comply with the requirements set forth in Rule 28-106.201, Florida Administrative Code.
4. A substantially interested person has the right to an informal hearing pursuant to Sections 120.569 and 120.57(2), Florida Statutes, where no material facts are in dispute. A petition for an informal hearing must comply with the requirements set forth in Rule 28-106.301, Florida Administrative Code.
5. A petition for an administrative hearing is deemed filed upon delivery of the petition to the District Clerk at the District headquarters in Palatka, Florida.
6. Failure to file a petition for an administrative hearing, within the requisite time frame shall constitute a waiver of the right to an administrative hearing (Section 28-106.111, Florida Administrative Code).
7. The right to an administrative hearing and the relevant procedures to be followed are governed by Chapter 120, Florida Statutes, and Chapter 28-106, Florida Administrative Code and Section 40C-1.1007, Florida Administrative Code.

Notice Of Rights

8. An applicant with a legal or equitable interest in real property who believes that a District permitting action is unreasonable or will unfairly burden the use of his property, has the right to, within 30 days of receipt of notice of the District's written decision regarding a permit application, apply for a special master proceeding under Section 70.51, Florida Statutes, by filing a written request for relief at the office of the District Clerk located at District headquarters, P. O. Box 1429, Palatka, FL 32178-1429 (4049 Reid St., Palatka, Florida 32177). A request for relief must contain the information listed in Subsection 70.51(6), Florida Statutes.
9. A timely filed request for relief under Section 70.51, Florida Statutes, tolls the time to request an administrative hearing under paragraph no. 1 or 2 above (Paragraph 70.51(10)(b), Florida Statutes). However, the filing of a request for an administrative hearing under paragraph no. 1 or 2 above waives the right to a special master proceeding (Subsection 70.51(10)(b), Florida Statutes).
10. Failure to file a request for relief within the requisite time frame shall constitute a waiver of the right to a special master proceeding (Subsection 70.51(3), Florida Statutes).
11. Any substantially affected person who claims that final action of the District constitutes an unconstitutional taking of property without just compensation may seek review of the action in circuit court pursuant to Section 373.617, Florida Statutes, and the Florida Rules of Civil Procedures, by filing an action in circuit court within 90 days of the rendering of the final District action, (Section 373.617, Florida Statutes).
12. Pursuant to Section 120.68, Florida Statutes, a person who is adversely affected by final District action may seek review of the action in the District Court of Appeal by filing a notice of appeal pursuant to the Florida Rules of Appellate Procedure within 30 days of the rendering of the final District action.
13. A party to the proceeding before the District who claims that a District order is inconsistent with the provisions and purposes of Chapter 373, Florida Statutes, may seek review of the order pursuant to Section 373.114, Florida Statutes, by the Florida Land and Water Adjudicatory Commission, by filing a request for review with the Commission and serving a copy on the Department of Environmental Protection and any person named in the order within 20 days of adoption of a rule or the rendering of the District order.
14. For appeals to the District Court of Appeal, a District action is considered rendered after it is signed on behalf of the District, and is filed by the District Clerk.
15. Failure to observe the relevant time frames for filing a petition for judicial review described in paragraphs #11 and #12, or for Commission review as described in paragraph #13, will result in waiver of that right to review.

Notice Of Rights

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing Notice of Rights has been sent by U.S.
Mail to:

Kincaid Hills Water Company
PO Box 579
Gainesville, FL 32602

At 4:00 p.m. this ^{1st} ~~21st~~ day of ^{May} ~~April~~, 2006.

Gloria Lewis

Division of Permit Data Services
Gloria Lewis, Director

St. Johns River Water Management District
Post Office Box 1429
Palatka, FL 32178-1429
(386) 329-4152
Permit Number: 11343

(Search) (Apply/Submit) (Help)

(Login)

Submittal Review

Station District ID: 3406

EN-50 received: 01/19/2018

☐ Proposed ☐ Abandoned ☐ Property Sold
☐ Capped ☒ Not used

Report Monthly Water Use .

	Gallons
July 2017	0.0
August 2017	0.0
September 2017	0.0
October 2017	0.0
November 2017	0.0
December 2017	0.0

Previous Meter Reading: No Data Found
Meter Readings

Comments:

www.sjrwmd.com | [contact us](#) | [disclaimer](#) | [copyright](#)

(Search) (Apply/Submit) (Help)

(Login)

Submittal Review

Station District ID: 3409

EN-50 received: 01/19/2018

☐ Proposed

☐ Capped

☐ Abandoned

☒ Not used

☐ Property Sold

Report Monthly Water Use .

	Gallons
July 2017	0.0
August 2017	0.0
September 2017	0.0
October 2017	0.0
November 2017	0.0
December 2017	0.0

Previous Meter Reading: No Data Found
Meter Readings

Comments:

(Search) (Apply/Submit) (Help)

(Login)

Submittal Review

Station District ID: 3408

EN-50 received: 01/19/2018

☐ Proposed
☐ Capped

☐ Abandoned
☒ Not used

☐ Property Sold

Report Monthly Water Use .

	Gallons
July 2017	0.0
August 2017	0.0
September 2017	0.0
October 2017	0.0
November 2017	0.0
December 2017	0.0

Previous Meter Reading: No Data Found

Meter Readings

Comments:

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(Search X Apply/Submit X Help)

(Login)

Submittal Review

Station District ID: 3406
EN-50 received: 01/19/2018

☐ Proposed
☐ Capped

☐ Abandoned
☒ Not used

☐ Property Sold

Report Monthly Water Use .

	Gallons
July 2017	0.0
August 2017	0.0
September 2017	0.0
October 2017	0.0
November 2017	0.0
December 2017	0.0

Previous Meter Reading: No Data Found
Meter Readings

Comments:



ATTACHMENT 1

Well Information

Well No.	GRS ID	Well Diameter	Well Depth	Status	Source
1	3405	4 in.	196 ft.	Active	Floridan aquifer
2	3406	6 in.	220 ft.	Active	Floridan aquifer
3	3407	8 in.	215 ft.	Active	Floridan aquifer
4	3408	4 in.	Unknown	Active	Floridan aquifer
5	3409	6 in.	Unknown	Active	Floridan aquifer

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

A copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report.

See attached.



Florida Department of Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

December 22, 2016

Berdell Knowles, Jr.
Kincaid Hills Water Company
2809 Boston Street, Unit 105
Baltimore, MD 21224
berdell@alum.mit.edu

**Re: Kincaid Hills Water System
PWS ID No. 2010612
Alachua County – Drinking Water**

Dear Mr. Knowles:

Department personnel conducted a sanitary survey inspection of the above-referenced facility on April 29, 2016. Based on the information provided during and following the inspection, the system was determined to be in compliance with the Department's Drinking Water rules and regulations. A copy of the inspection report is attached for your records. Non-compliance identified in the inspection report has been corrected.

The Department appreciates your efforts to maintain this system in compliance with state and federal rules. Should you have any questions or comments, please contact Ben Piltz at (904) 256-1639, or via e-mail at benjamin.piltz@dep.state.fl.us.

Sincerely,

Vincent Clark
Environmental Manager
Compliance Assurance Program

Enclosures: Inspection Report

c: Ross Bogert- twofoldwater@gmail.com
FDEP: Alisha Simpson, Vincent Clark, Joni Petry, Ben Piltz

Florida Department of Environmental Protection

Northeast District Public Water System Sanitary Survey Inspection Report

Water system: Kincaid Hills Water System		System PWS #: 2010612	Survey date: 4/29/16
Facility type class: Community - (5C)		Source type: Ground	4-Log approved: N/A
Facility address: 3260 SE 19th Avenue, Gainesville, FL 32604			
Facility phone(s): N/A		Facility email/fax: kincaidhillswaterco@yahoo.com	
Facility contact: Berdell Knowles Sr.		Facility contact phone(s): 904-885-1450	
Facility contact email/fax: kincaidhillswaterco@yahoo.com			
Owner name: Berdell Knowles, Jr.		Company name: Kincaid Hills Water Company	
Owner/Corp address: 2809 Boston Street, Unit 105		City: Baltimore	State: MD Zip: 21224
Owner/Corp phone(s): 310-821-1235		Owner e-contact(s): berdell@alum.mit.edu	
Operator name: Ross Bogert		Certification: C-18962	
Operator phone(s): 352-258-8310		Operator email/fax: twofoldwater@gmail.com	
On-site Rep: R. Tisdale		Immediate Action Required?: No	Inspection recap given? Yes

SERVICE AREA CHARACTERISTICS

Subdivision _____

Food Service: ☐ Yes ☐ No ☒ N/A

GENERAL INFORMATION

Number of Service Connections 352

Population Served 800 Basis Recent Est

Plant Design Capacity 236,400 gpd

Basis Re-rated in Permit 0325725-001-WC

Average Day (from MORs) 89,755 gpd

Max. Day (from MORs) 291,000* gpd

Total Storage Capacity 2,500 gallons

Comments *Max excluding January Maintenance Max flow is 145,000 gpd.

LOCATION

Latitude 29° 38' 3.7765" North

Longitude 82° 17' 2.9999" West

GPS: No Date: DPHO- 12/13/16 updated

Directions Take I-95 to I-10 to SR 301. Head South towards Waldo, and head right on SR 24 towards Gainesville. Turn left on SR 20, right on SE 27th St, and left on SE 19th. Plant is on the left near 3260 SE 19th Ave.

OPERATION & MAINTENANCE

Certified Operator: ☒ Yes ☐ No ☐ Not required

Plant visits conducted by: R. Bogert / Twofold

O&M Log: ☒ Yes ☐ No O&M Manual: ☒ Yes ☐ No

Visitation Frequency

Hrs/day: Required	<u>N/A</u>	Actual	<u>N/A</u>
Hrs/wk: Required	<u>0.6</u>	Actual	<u>>0.6</u>
Days/wk: Required	<u>5+1</u>	Actual	<u>5+1</u>

Non-consecutive Days? ☐ Yes ☐ No ☒ N/A

MORs submitted regularly? ☒ Yes ☐ No ☐ N/A

Data missing from MORs? ☒ No ☐ Yes ☐ N/A

RAW WATER SOURCE

☒ GROUND; Number of Wells 2

☐ SURFACE/UDI; Source _____

☐ PURCHASED from PWS ID # _____

☐ Emergency Water Source _____

Emergency Water Capacity _____

AUXILIARY POWER SOURCE

☒ Yes ☐ None ☐ Not Required

Source Owen Genset, Model #20DNAF

Capacity of Standby (kW) 20

Switchover: ☒ Automatic ☐ Manual

Standby Plan: ☒ Yes ☐ No

Hrs Operated Under Load 1 hr/wk.

What equipment does it operate?

☒ Well pumps One of the two wells.

☐ High Service Pumps _____

☒ Treatment Equipment Hypochlorination

Satisfy 1/2 max-day demand? ☒ Yes ☐ No ☐ Unk

Comments _____

TREATMENT PROCESSES IN USE

Hypochlorination system only

Is additional treatment needed? ☐ Yes ☒ No

If so, for control of what deficiencies? _____

Not at this time.

DISTRIBUTION SYSTEM

Flow Measuring Device Flow Meter

Meter Size & Type 3" Inline Badger

Meter tested w/i 5 yrs? ☒ Yes ☐ No ☐ Unk ☐ N/A

Backflow Prevention: ☒ Yes ☐ No

Cross-connections None observed

Cross-connection Control Program: ☒ Yes ☐ No ☐ N/A

Coliform Sampling Plan: ☒ Yes ☐ No

Stage 2 DBPs Sampling Plan: ☒ Yes ☐ No ☐ N/A

Lead & Copper Sampling Plan: ☒ Yes ☐ No ☐ N/A

Comments _____

GROUND WATER SOURCE

Well Number (PWS Identification)	1	2	
Well Name (System Identification)	South Well	North Well	
Year Drilled	1958	1959	
Depth Drilled	205'	210'	
Latitude	29° 38' 3.5290" N	29° 38' 4.2850" N	
Longitude	82° 17' 3.0570" W	82° 17' 3.2260" W	
GPS (Y or N) / Date (if applicable)	Y- DGPS 3/09	Y- DGPS 3/09	
Florida Well ID	AAC 2237	AAC 2236	
Static Water Level	Unknown	Unknown	
Normal Yield (if different than rated capacity)	Unknown	Unknown	
Strainer	Unknown	Unknown	
Length (outside casing)	105'	110'	
Diameter (outside casing)	4"	6"	
Material (outside casing)	Steel	Steel	
Well Contamination History	Ok	Ok	
Is inundation of well possible?	Not likely	Not likely	
6' X 6' X 4" Concrete Pad	Ok	Ok	
SET BACKS	Septic Tank	>200'	>200'
	Reuse Water	>500', GRU	>500', GRU
	WW Plumbing	>200'	>200'
	Other Sanitary Hazard	>5000', S.C.	>5,000, S.C.
PUMP	Type	Submersible	Submersible
	Manufacturer Name	Unknown	Unknown
	Model Number	Unknown	Unknown
	Rated Capacity (gpm)	~150	~250
	Motor Horsepower	15	20
Well casing 12" above grade?	S.C., ~6"	Y	
Well Casing Sanitary Seal	Ok	Ok	
Raw Water Sampling Tap	Smooth/downturned	Raw tap not downturned	
Above Ground Check Valve	After raw/before trmt	After raw/before trmt	
Fence/Housing	Secured fence	Secured fence	
Well Vent Protection	Y	Y	

COMMENTS Deactivated old water plant located on SE 45th Terrace. Well disconnected. Raw tap on North Well was not downturned. This was corrected after the inspection. South Well is not currently 12" or above grade. If there is work performed in the future, or there is indications that source water quality is changed, the well should be raised at that time. Well AAC 2238 was capped/abandoned.

CHLORINATION (Disinfection)

Type: Hypo-Chlorination

Make	Stenner	Capacity	10 gpd
------	---------	----------	--------

Chlorine Feed Rate Set at 4

Avg. Amount of Cl ₂ gas used	N/A
---	-----

Chlorine Residuals:	Plant	0.72	Remote	0.30
---------------------	-------	------	--------	------

Remote tap location 2226 SE 45th Terrace

DPD Test Kit: ☒ On-site ☒ With operator

☐ None ☐ Not Used Daily

Injection Points After contact time tank

Booster Pump Info N/A

Comments

Chlorine Gas Use Requirements	YES	NO	Comments N/A
Dual System	<input type="checkbox"/>	<input type="checkbox"/>	
Auto-switchover	<input type="checkbox"/>	<input type="checkbox"/>	
Alarms:			
Loss of Cl ₂ capability	<input type="checkbox"/>	<input type="checkbox"/>	
Loss of Cl ₂ residual	<input type="checkbox"/>	<input type="checkbox"/>	
Cl ₂ leak detection	<input type="checkbox"/>	<input type="checkbox"/>	
Scale	<input type="checkbox"/>	<input type="checkbox"/>	
Chained Cylinders	<input type="checkbox"/>	<input type="checkbox"/>	
Reserve Supply	<input type="checkbox"/>	<input type="checkbox"/>	
Adequate Air-pak	<input type="checkbox"/>	<input type="checkbox"/>	
Sign of Leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Fresh Ammonia	<input type="checkbox"/>	<input type="checkbox"/>	
Ventilation	<input type="checkbox"/>	<input type="checkbox"/>	
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	
Repair Kits	<input type="checkbox"/>	<input type="checkbox"/>	
Fitted Wrench	<input type="checkbox"/>	<input type="checkbox"/>	
Housing/Protection	<input type="checkbox"/>	<input type="checkbox"/>	

AERATION (Gases, Fe, & Mn Removal)

Type N/A Capacity

Aerator Condition

Bloodworm Presence

Visible Algae Growth

Protective Screen Condition

Comments

STORAGE FACILITIES

(B) Bladder (CW) Clearwell (C) Contact (E) Elevated

(G) Ground (H) Hydropneumatic (S.C.) See Comments

Tank Type/Number	C	H ₂	H ₁
Capacity (gal)	1,000	3,100	5,000
Material	Steel	Steel	Steel
By-pass Piping	No	Yes	S.C.
Gravity Drain	Yes	Yes	S.C.
PRV/ARV	None	Both	S.C.
Protected Openings	N/A	N/A	S.C.
Pressure Gauge	No	Yes	S.C.
Sight Glass or Level Indicator	No	S.G.	S.C.
Fittings for Sight Glass	No	Yes	S.C.
Access Padlocked	Yes	Yes	S.C.
Last Inspection Date (for tanks with access manholes)	N/A	2012	S.C.
On/Off Pressure	30/50	30/50	S.C.
Height to Bottom of Elevated Tank	N/A	N/A	N/A
Height to Max. Water Level	N/A	N/A	N/A

Comments Hydropneumatic Tank #2 (3,100 gal) is
due for the 5 year Inspection by May 2017.

Hydropneumatic Tank #1 (5,000 gal) is physically disconnected from the water plant.

HIGH SERVICE PUMPS

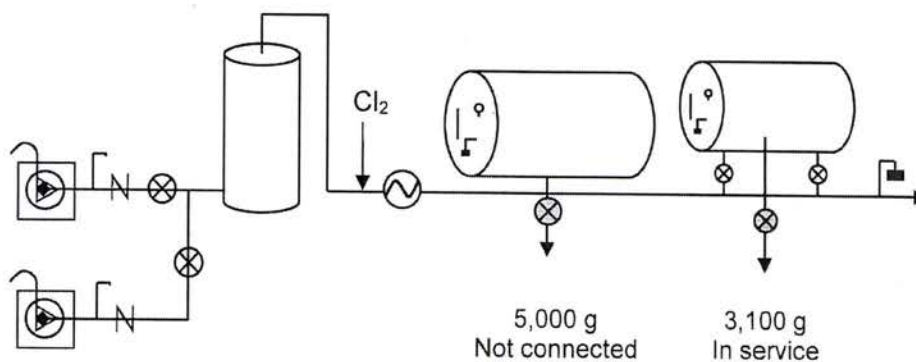
Pump Number	N/A		
Type			
Make			
Model			
Capacity (gpm)			
Motor HP			
Date Installed			
Maintenance			









[illegible]

Monitoring Schedule					
Chemical	Next Due	Comments	Chemical	Next Due	Comments
Bacteriologicals	Monthly	2 raw / 1 dist monthly	VOCs	4 th Q' 16 2018	Dichloromethane Full Set
Disinfectant Levels	Monthly	with bactis	SOCs	2018	Waiver available
Nitrate & Nitrite	2017	N/N due annually	Rads	2018	
Inorganics	2018		DBPs	2017	
Asbestos	2018	or possible waiver	Pb-Cu	2018	Jun-Sep
Secondaries	2018		WQPs	N/A	

*Sample locations vary. If you have any questions, please contact your inspector.

SCHEMATIC (not to scale):



SCHEMATIC KEY					
Well with Submersible pump		Well vent		Raw tap / Smooth sample tap	
Check valve		Valve (open/closed)		Flow meter	
Hydropneumatic Tank w/ drain valve		Point of entry tap			

MONITORING VIOLATIONS	MCL VIOLATIONS
Insuff Dist Bactis collected 8/2013	No recent MCL violations
8/14, 10/14, 7/15 Bactis not submitted	
Annual 2013 Dichloromethane missed.	

DEFICIENCIES:

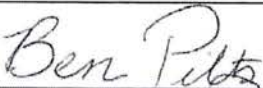
#	Deficiency	Rule Reference	Corrective Action	Severity	Corrected
1	Raw sample tap was not downward facing.	62-555.320(8)(b)2	Provide a downward opening raw water sampling tap.	Minor	RTC-5/20/16

Any deficiency marked with an asterisk (*) is a repeat violation.

ADDITIONAL COMMENTS:

Tank inspection for the 3,100 gallon hydropneumatic tank is due by May 2017.

Inspector:



Ben Piltz, Environmental Specialist II

(904) 256-1639

benjamin.piltz@dep.state.fl.us

Approved by:



Joni Petry, Environmental Consultant

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

A copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years.

See Attached



Florida Department of Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

December 22, 2016

Berdell Knowles, Jr.
Kincaid Hills Water Company
2809 Boston Street, Unit 105
Baltimore, MD 21224
berdell@alum.mit.edu

**Re: Kincaid Hills Water System
PWS ID No. 2010612
Alachua County – Drinking Water**

Dear Mr. Knowles:

Department personnel conducted a sanitary survey inspection of the above-referenced facility on April 29, 2016. Based on the information provided during and following the inspection, the system was determined to be in compliance with the Department's Drinking Water rules and regulations. A copy of the inspection report is attached for your records. Non-compliance identified in the inspection report has been corrected.

The Department appreciates your efforts to maintain this system in compliance with state and federal rules. Should you have any questions or comments, please contact Ben Piltz at (904) 256-1639, or via e-mail at benjamin.piltz@dep.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Vincent Clark", is written over a horizontal line.

Vincent Clark
Environmental Manager
Compliance Assurance Program

Enclosures: Inspection Report

c: Ross Bogert- twofoldwater@gmail.com
FDEP: Alisha Simpson, Vincent Clark, Joni Petry, Ben Piltz

Florida Department of Environmental Protection

Northeast District Public Water System Sanitary Survey Inspection Report

Water system: Kincaid Hills Water System		System PWS #: 2010612	Survey date: 4/29/16
Facility type class: Community - (5C)		Source type: Ground	4-Log approved: N/A
Facility address: 3260 SE 19 th Avenue, Gainesville, FL 32604			
Facility phone(s): N/A		Facility email/fax: kincaidhillswaterco@yahoo.com	
Facility contact: Berdell Knowles Sr.		Facility contact phone(s): 904-885-1450	
Facility contact email/fax: kincaidhillswaterco@yahoo.com			
Owner name: Berdell Knowles, Jr.		Company name: Kincaid Hills Water Company	
Owner/Corp address: 2809 Boston Street, Unit 105		City: Baltimore	State: MD Zip: 21224
Owner/Corp phone(s): 310-821-1235		Owner e-contact(s): berdell@alum.mit.edu	
Operator name: Ross Bogert		Certification: C-18962	
Operator phone(s): 352-258-8310		Operator email/fax: twofoldwater@gmail.com	
On-site Rep: R. Tisdale	Immediate Action Required?: No		Inspection recap given? Yes

SERVICE AREA CHARACTERISTICS

Subdivision _____

Food Service: ☐ Yes ☐ No ☒ N/A

GENERAL INFORMATION

Number of Service Connections 352

Population Served 800 Basis Recent Est

Plant Design Capacity 236,400 gpd

Basis Re-rated in Permit 0325725-001-WC

Average Day (from MORs) 89,755 gpd

Max. Day (from MORs) 291,000* gpd

Total Storage Capacity 2,500 gallons

Comments *Max excluding January Maintenance Max flow is 145,000 gpd.

LOCATION

Latitude 29° 38' 3.7765" North

Longitude 82° 17' 2.9999" West

GPS: No Date: DPHO- 12/13/16 updated

Directions Take I-95 to I-10 to SR 301. Head South towards Waldo, and head right on SR 24 towards Gainesville. Turn left on SR 20, right on SE 27th St, and left on SE 19th. Plant is on the left near 3260 SE 19th Ave.

OPERATION & MAINTENANCE

Certified Operator: ☒ Yes ☐ No ☐ Not required

Plant visits conducted by: R. Bogert / Twofold

O&M Log: ☒ Yes ☐ No O&M Manual: ☒ Yes ☐ No

Visitation Frequency

Hrs/day: Required	<u>N/A</u>	Actual	<u>N/A</u>
Hrs/wk: Required	<u>0.6</u>	Actual	<u>>0.6</u>
Days/wk: Required	<u>5+1</u>	Actual	<u>5+1</u>

Non-consecutive Days? ☐ Yes ☐ No ☒ N/A

MORs submitted regularly? ☒ Yes ☐ No ☐ N/A

Data missing from MORs? ☒ No ☐ Yes ☐ N/A

RAW WATER SOURCE

☒ GROUND; Number of Wells 2

☐ SURFACE/UDI; Source _____

☐ PURCHASED from PWS ID # _____

☐ Emergency Water Source _____

Emergency Water Capacity _____

AUXILIARY POWER SOURCE

☒ Yes ☐ None ☐ Not Required

Source Owen Genset, Model #20DNAF

Capacity of Standby (kW) 20

Switchover: ☒ Automatic ☐ Manual

Standby Plan: ☒ Yes ☐ No

Hrs Operated Under Load 1 hr/wk.

What equipment does it operate?

☒ Well pumps One of the two wells.

☐ High Service Pumps _____

☒ Treatment Equipment Hypochlorination

Satisfy 1/2 max-day demand? ☒ Yes ☐ No ☐ Unk

Comments _____

TREATMENT PROCESSES IN USE

Hypochlorination system only

Is additional treatment needed? ☐ Yes ☒ No

If so, for control of what deficiencies?

Not at this time.

DISTRIBUTION SYSTEM

Flow Measuring Device Flow Meter

Meter Size & Type 3" Inline Badger

Meter tested w/i 5 yrs? ☒ Yes ☐ No ☐ Unk ☐ N/A

Backflow Prevention: ☒ Yes ☐ No

Cross-connections None observed

Cross-connection Control Program: ☒ Yes ☐ No ☐ N/A

Coliform Sampling Plan: ☒ Yes ☐ No

Stage 2 DBPs Sampling Plan: ☒ Yes ☐ No ☐ N/A

Lead & Copper Sampling Plan: ☒ Yes ☐ No ☐ N/A

Comments _____

GROUND WATER SOURCE

Well Number (PWS Identification)	1	2	
Well Name (System Identification)	South Well	North Well	
Year Drilled	1958	1959	
Depth Drilled	205'	210'	
Latitude	29° 38' 3.5290" N	29° 38' 4.2850" N	
Longitude	82° 17' 3.0570" W	82° 17' 3.2260" W	
GPS (Y or N) / Date (if applicable)	Y- DGPS 3/09	Y- DGPS 3/09	
Florida Well ID	AAC 2237	AAC 2236	
Static Water Level	Unknown	Unknown	
Normal Yield (if different than rated capacity)	Unknown	Unknown	
Strainer	Unknown	Unknown	
Length (outside casing)	105'	110'	
Diameter (outside casing)	4"	6"	
Material (outside casing)	Steel	Steel	
Well Contamination History	Ok	Ok	
Is inundation of well possible?	Not likely	Not likely	
6' X 6' X 4" Concrete Pad	Ok	Ok	
SET BACKS	Septic Tank	>200'	>200'
	Reuse Water	>500', GRU	>500', GRU
	WW Plumbing	>200'	>200'
	Other Sanitary Hazard	>5000', S.C.	>5,000, S.C.
PUMP	Type	Submersible	Submersible
	Manufacturer Name	Unknown	Unknown
	Model Number	Unknown	Unknown
	Rated Capacity (gpm)	~150	~250
	Motor Horsepower	15	20
Well casing 12" above grade?	S.C., ~6"	Y	
Well Casing Sanitary Seal	Ok	Ok	
Raw Water Sampling Tap	Smooth/downturned	Raw tap not downturned	
Above Ground Check Valve	After raw/before trmt	After raw/before trmt	
Fence/Housing	Secured fence	Secured fence	
Well Vent Protection	Y	Y	

COMMENTS Deactivated old water plant located on SE 45th Terrace. Well disconnected. Raw tap on North Well was not downturned. This was corrected after the inspection. South Well is not currently 12" or above grade. If there is work performed in the future, or there is indications that source water quality is changed, the well should be raised at that time. Well AAC 2238 was capped/abandoned.

CHLORINATION (Disinfection)

Type: Hypo-Chlorination
 Make Stenner Capacity 10 gpd
 Chlorine Feed Rate Set at 4
 Avg. Amount of Cl₂ gas used N/A
 Chlorine Residuals: Plant 0.72 Remote 0.30
 Remote tap location 2226 SE 45th Terrace
 DPD Test Kit: ☒ On-site ☒ With operator
☐ None ☐ Not Used Daily
 Injection Points After contact time tank
 Booster Pump Info N/A
 Comments _____

Chlorine Gas Use Requirements	YES	NO	Comments N/A
Dual System	<input type="checkbox"/>	<input type="checkbox"/>	
Auto-switchover	<input type="checkbox"/>	<input type="checkbox"/>	
Alarms:			
Loss of Cl ₂ capability	<input type="checkbox"/>	<input type="checkbox"/>	
Loss of Cl ₂ residual	<input type="checkbox"/>	<input type="checkbox"/>	
Cl ₂ leak detection	<input type="checkbox"/>	<input type="checkbox"/>	
Scale	<input type="checkbox"/>	<input type="checkbox"/>	
Chained Cylinders	<input type="checkbox"/>	<input type="checkbox"/>	
Reserve Supply	<input type="checkbox"/>	<input type="checkbox"/>	
Adequate Air-pak	<input type="checkbox"/>	<input type="checkbox"/>	
Sign of Leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Fresh Ammonia	<input type="checkbox"/>	<input type="checkbox"/>	
Ventilation	<input type="checkbox"/>	<input type="checkbox"/>	
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	
Repair Kits	<input type="checkbox"/>	<input type="checkbox"/>	
Fitted Wrench	<input type="checkbox"/>	<input type="checkbox"/>	
Housing/Protection	<input type="checkbox"/>	<input type="checkbox"/>	

AERATION (Gases, Fe, & Mn Removal)

Type N/A Capacity _____
 Aerator Condition _____
 Bloodworm Presence _____
 Visible Algae Growth _____
 Protective Screen Condition _____
 Comments _____

STORAGE FACILITIES

(B) Bladder (CW) Clearwell (C) Contact (E) Elevated
 (G) Ground (H) Hydropneumatic (S.C.) See Comments

Tank Type/Number	C	H ₂	H ₁
Capacity (gal)	1,000	3,100	5,000
Material	Steel	Steel	Steel
By-pass Piping	No	Yes	S.C.
Gravity Drain	Yes	Yes	S.C.
PRV/ARV	None	Both	S.C.
Protected Openings	N/A	N/A	S.C.
Pressure Gauge	No	Yes	S.C.
Sight Glass or Level Indicator	No	S.G.	S.C.
Fittings for Sight Glass	No	Yes	S.C.
Access Padlocked	Yes	Yes	S.C.
Last Inspection Date (for tanks with access manholes)	N/A	2012	S.C.
On/Off Pressure	30/50	30/50	S.C.
Height to Bottom of Elevated Tank	N/A	N/A	N/A
Height to Max. Water Level	N/A	N/A	N/A

Comments Hydropneumatic Tank #2 (3,100 gal) is due for the 5 year inspection by May 2017.

Hydropneumatic Tank #1 (5,000 gal) is physically disconnected from the water plant.

HIGH SERVICE PUMPS

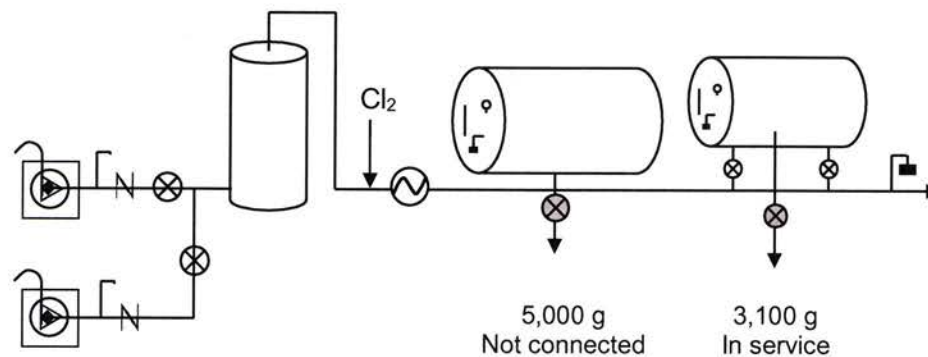
Pump Number	N/A		
Type			
Make			
Model			
Capacity (gpm)			
Motor HP			
Date Installed			
Maintenance			







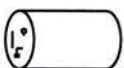

Comments _____

Monitoring Schedule					
Chemical	Next Due	Comments	Chemical	Next Due	Comments
Bacteriologicals	Monthly	2 raw / 1 dist monthly	VOCs	4 th Q' 16 2018	Dichloromethane Full Set
Disinfectant Levels	Monthly	with bactis	SOCs	2018	Waiver available
Nitrate & Nitrite	2017	N/N due annually	Rads	2018	
Inorganics	2018		DBPs	2017	
Asbestos	2018	or possible waiver	Pb-Cu	2018	Jun-Sep
Secondaries	2018		WQPs	N/A	

*Sample locations vary. If you have any questions, please contact your inspector.

SCHEMATIC (not to scale):



SCHEMATIC KEY					
Well with Submersible pump		Well vent		Raw tap / Smooth sample tap	
Check valve		Valve (open/closed)		Flow meter	
Hydropneumatic Tank w/ drain valve		Point of entry tap			

MONITORING VIOLATIONS	MCL VIOLATIONS
Insuff Dist Bactis collected 8/2013	No recent MCL violations
8/14, 10/14, 7/15 Bactis not submitted	
Annual 2013 Dichloromethane missed.	

DEFICIENCIES:

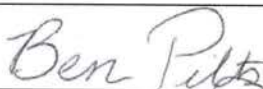
#	Deficiency	Rule Reference	Corrective Action	Severity	Corrected
1	Raw sample tap was not downward facing.	62-555.320(8)(b)2	Provide a downward opening raw water sampling tap.	Minor	RTC-5/20/16

Any deficiency marked with an asterisk (*) is a repeat violation.

ADDITIONAL COMMENTS:

Tank inspection for the 3,100 gallon hydropneumatic tank is due by May 2017.

Inspector:


Ben Piltz, Environmental Specialist II

(904) 256-1639

benjamin.piltz@dep.state.fl.us

Approved by:


Joni Petry, Environmental Consultant



Florida Department of Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

August 31, 2016

Berdell Knowles, Jr.
Kincaid Hills Water Company
2809 Boston Street, Unit 105
Baltimore, MD 21224
berdell@alum.mit.edu

Re: **Compliance Assistance Offer**
Kincaid Hills Water
PWS ID No. 2010612
Alachua County – Drinking Water

Dear Mr. Knowles,

Department personnel have noted a monitoring deficiency for the Kincaid Hills Water System, owned and operated by Kincaid Hills Water Company. The purpose of this letter is to offer compliance assistance as a means of resolving the current matter and to maintain compliance in the future.

Department records indicate your facility has not delivered Annual Consumer Confidence Report (CCR) to the customers of the Kincaid Hills Water System to notify them of the 2013-2015 monitoring results and violations. This is required to be done annually by July 1, per 62-550.824(3)(a), Florida Administrative Code (F.A.C.) and Code of Federal Regulations (CFR) 141.152(b). After delivery, a copy of the annual CCR is to be delivered to the Department with a completed Certification of Delivery of Consumer Confidence Report, Form 62-555.900(19), by August 10 per 62-550.824(2)(e)1b.

We request you review the above noted item of concern and respond in writing within 15 days of receipt of this Compliance Assistance Offer. Your written response should:

1. Describe what has been done to resolve the non-compliance issue or provide a schedule describing how/when the issue will be addressed
2. Provide the requested information, or information that mitigates the concerns or demonstrates them to be invalid, or
3. Arrange for the case manager to visit your system to discuss the item(s) of concern.

It is the Department's desire that you are able to adequately address the aforementioned issues so that this matter can be closed. Your failure to respond promptly may result in the initiation of formal enforcement proceedings.

Compliance Assistance Offer
Berdell Knowles, Jr.
Page 2
August 31, 2016

Please address your response and any questions to Ben Piltz of the Northeast District Office at (904)256-1639, or via e-mail at Benjamin.Piltz@dep.state.fl.us. We look forward to your cooperation with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Vincent Clark", with a long horizontal flourish extending to the right.

Vincent Clark
Environmental Manager

c: Kincaid Hills Water Company, kincaidhillswaterco@yahoo.com
Twofold Water, twofoldwater@gmail.com
Vincent Clark, vincent.clark@dep.state.fl.us
Petry, Joni joni.petry@dep.state.fl.us
Ben Piltz, benjamin.piltz@dep.state.fl.us
Alisha Simpson, alisha.simpson@dep.state.fl.us



FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

NORTHEAST DISTRICT
8800 BAYMEADOWS WAY WEST, SUITE 100
JACKSONVILLE, FLORIDA 32256

RICK SCOTT
GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

August 30, 2013

Mr. Berdell Knowles, Jr.
Kincaid Hills Water Company
2809 Boston St., Unit 105
Baltimore, MD 21224
berdell@alum.mit.edu

Re: Drinking Water Enforcement
OGC File No. 00-0211, Case No. 10-CA-3750
DEP vs Berdell Knowles, Sr. and Berdell Knowles, Jr.

Dear Mr. Knowles:

During a teleconference earlier this year, it was determined that our office would provide additional time for your utility, Kincaid Hills Water System, PWS ID 2010612, to install a new hydropneumatic tank to replace a deteriorated tank overdue for inspection. The installation of the new tank was due within six months of the Final Judgment Case No. 10-CA-3750, or no later than October 26, 2011. At this time, it has still not been completed.

In order to avoid further enforcement action, the following actions must be completed within the timeframes stated:

1. Within 5 days of the date of this letter, Respondent must submit a proof of purchase for a new hydropneumatic tank. Documentation must include the ASME certification and specifications and details demonstrating the tank replacement will be a like-for-like (same size and type) to the existing tank.
2. Within 15 days following the purchase date, Respondent must provide confirmation of payment to the manufacturing company of the new tank.
3. Upon delivery of the tank, Respondent must provide written notification of the scheduled installation date and complete required two days of clearance bacteriological sampling prior to putting the tank into service. Also, any precautionary boil water event procedures must be followed, if applicable/
4. Within 5 days of completing installation, Respondent must provide a copy of the two days of bacteriological clearance sampling.

It is the Department's desire that you are able to timely provide the above documentation so that this matter can be resolved without further enforcement action. Your failure to respond promptly in writing (or by e-mail) may result in the Department petitioning the court to hold you in contempt for failure to comply with a court order.

Please address your response and any questions to Joni Petry of the Northeast District Office at (904) 256-1606 or via e-mail at Joni.Petry@dep.state.fl.us. We look forward to your cooperation with this matter.

Sincerely,

A handwritten signature in cursive script that reads "James R. Maher".

James R. Maher, PE
Assistant Director

cc: Mr. Berdell Knowles, Sr., Kincaid Hills Water Company (kincaidhillswaterco@yahoo.com
and knowb@jea.com)

IN THE CIRCUIT COURT OF THE EIGHTH JUDICIAL CIRCUIT
IN AND FOR ALACHUA COUNTY, FLORIDA

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION,

Plaintiff,

vs.

Case No.: 10-CA-3750
Division J

BERDELL KNOWLES, SR.
and BERDELL KNOWLES, JR.,

Defendants.

**AGREED ORDER IN RESPONSE TO DEPARTMENT OF ENVIRONMENTAL
PROTECTION'S MOTION FOR CONTEMPT**

Petitioner, State of Florida Department of Environmental Protection ("Department"), and Defendant Berdell Knowles, Jr., ("Defendant") hereby file this Agreed Order in Response to Department of Environmental Protection's Motion for Contempt ("Order"), having agreed to the following:

1. This Court entered a Consent Final Judgment ("CFJ") on April 26, 2011.
 - a. Paragraph 10.F. of the CFJ required the Defendants to repair or replace hydropneumatic Tanks B and C at the System, and obtain certification of integrity from a Florida Professional Engineer within 6 months of the date of CFJ.
2. On November 5, 2013, the Department filed a Motion for Contempt alleging that the Defendants failed to comply with terms of the CFJ and seeking relief.
3. The parties wish to resolve the issues set forth in the Department's Motion for Contempt without the necessity of any further proceedings.
4. IT IS IN CONSIDERATION THEREOF, STIPULATED AND AGREED, AS FOLLOWS:

5. Defendant Berdell Knowles, Jr. affirms that he possesses the ability to comply with the terms of this Order and as alleged in the Department's Motion for Contempt and agrees to the relief sought therein.

6. The Defendant shall perform the following actions within the stated time periods and in accordance with the provisions of the CFJ:

a. Within 60 days of the effective date of this Order, Defendant shall repair or replace the 5,000 gallon hydropneumatic tank ("Tank B") at the System, and obtain certification of integrity from a Florida Professional Engineer or Defendant shall submit a completed permit application for re-rating the System supply capacity, using only the 1,000 gallon tank ("Tank A") and the 3,000 gallon tank ("Tank C"), to the Department in accordance with Florida Administrative Code Rule 62-555.900(1).

b. Should the Defendant choose to submit a permit to the Department, the Defendant will also show that Tank B has been disconnected from the System within 10 days of the permit approval.

7. Should Defendant fail to comply with any term of CFJ or this Order, the Department may file an affidavit stating such with the Court and the Court shall issue an Order to Show Cause based upon the Department's affidavit.

8. The Defendants affirm that they possess the ability to comply with the terms of the CFJ and this Order and shall continue to be bound by the terms of the CFJ regarding such obligations.

9. All remaining terms of the CFJ remain in full force and effect.

10. The parties stipulate that the Court may enter this Order finding the Defendants in Contempt and approving this Order without the necessity of formal of hearing.

11. Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

12. This Court shall retain jurisdiction to enforce the terms of this Order and CFJ.

ORDERED AND ADJUDGED in Duval County, Florida this 31 day of

March, 2014.

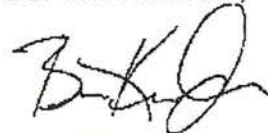
ORIGINAL SIGNED BY
TOBY S. MONACO
CIRCUIT JUDGE

CIRCUIT COURT JUDGE

CONSENT TO ENTRY WITHOUT FURTHER NOTICE OR HEARING

The parties hereby agree and consent to the Court's entry of this Order without further hearing in complete satisfaction of all of the claims arising out of the Department's Motion for Contempt in this case.

For the Defendant,

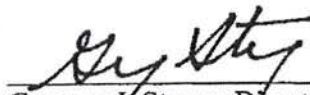


Berdell Knowles, Jr.

2/18/14

Date

For the Plaintiff, State of Florida Department of Environmental Protection:



Gregory J. Strong, Director
Northeast District

02-19-14

Date

Cc:

Janet Tashner, Attorney for Plaintiff

Berdell Knowles, Jr., Pro Se

Berdell Knowles, Sr., Pro Se

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

A copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years.

Buyer did not receive any copies of any customer complaints from Seller.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 7, 2017

TO: Carlotta Stauffer, Commission Clerk

FROM: Margo A. DuVal, Senior Attorney, Office of General Counsel

RE: Docket No. 20170200-WU - Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

Please place the attached correspondence from Berdell Knowles, Jr. in the above referenced docket file.

Thank you.

MAD/as

November 7, 2017

Ms. Margo DuVal, Staff and Members of the
Public Service Commission of the State of Florida
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Ms. DuVal, Staff, and Members of the Commission,

I am writing to follow-up on conversations held with staff last Friday where I became aware of the outstanding issues and became engaged with assisting Mr. Berdell Knowles Sr. ("Owner") to reach required resolutions. Although he is unable to participate, and I will try to be as expedient as possible on his behalf.

First, I want to acknowledge the frustration this case has caused for staff, due in large part to a lack of responsiveness from the Owner. He has been solely responsible for safely operating this aging water utility, serving one of Gainesville's most economically distressed communities, for the past 30 years (since the mid-80s). As the filings provided by staff show, he is failing to keep up with the administrative obligations with greater regularity as both he and the system he financed with his life's savings continue to age. My last sustained engagement with KHWC was in 2013-14, where I assisted the owner to resolve significant outstanding administrative issues (see appendix), working closely with Ms. Christine Francescani and DEP. At that time, I believed that my temporary efforts – which included investing over \$50K in personal capital to refurbish KHWC equipment, making payment on outstanding fees, hiring a 3rd party licensed operator, and other provisions – would provide a medium-term (5yr) solution. At that time, I planned to establish residence in Florida by the end of the 5yr period (2020) to provide permanent administrative support for the system. As we now see, I underestimated how long the Owner could maintain the standing earned from my intervention at that time and I have accelerated my timeline.

The current filing and associated documents provides a partial view of the Owner's record of service and responsibility. Specifically, there are 6 issues (3 of which are due to late RAFs):

1. Submission of additional (to be mutually determined) payments towards outstanding RAFs,
2. Continuing to work with Staff regarding repayment of outstanding RAFs (will seek clarification to confirm this is disparate from #1, and how),
3. Update corporate status with Florida Secretary of State,
4. Apply for Staff Assisted Rate Case,
5. Submit 2016 RAFs
6. Respond to three (3) customer complaints, and notify staff in writing of the response.

While I do not contend with the implication that the Owner does not have the capacity to fulfill the responsibilities to the PSC, I would like to offer the following high-level overview as to

how/why KHWc might show why the Commission might consider an alternative to staff's recommendations to impose previously abated fees or to initiate Certificate Revocation proceedings:

1. If permitted/mandated to assume control, I can work with staff immediately to determine a payment plan for outstanding RAFs, and follow-up with the Commission on the outcome by a designated time period.
2. Similarly, if permitted/mandated to assume control, I can work with staff immediately to determine a payment plan for outstanding RAFs, and follow-up with the Commission on the outcome by a designated time period.
3. If permitted/mandated to assume control, I would like to establish a corporation with Florida Secretary of State immediately.
4. If permitted/mandated to assume control, I would like to apply for a SARC no later than Q1, 2018. This is the key to making the system self-sustainable. The Owner had been reluctant to take this step, and as a result, the system has missed decades of rate adjustments and is operating at a loss. According to the Michael Smallridge, one of the State's leading "receivers" of Certificate-revoked or distressed water systems, if he were to "receive" KHWc, it would take him nearly 2 years to complete the ownership change and rate case. This means it would be 2 years longer until KHWc was self-sustaining. I fully recognize the importance of completing the SARC as soon as possible, and am committed to doing so.
5. If permitted/mandated to assume control, I can take care of the 2016 RAFs immediately. In fact, I attempted to do so on 8/31 while on medical leave, but was advised that I could not complete it in time, as there are no provisions for over the phone payment.
6. The customers who made complaints have been contacted by KHWc via telephone and in person during monthly meter-reading (in this small community, KHWc is very visible and accessible during meter-reading). While it should be noted that KHWc, like most utilities, receives a fair number of nuisance complaints without merit, KHWc has failed to provide the proper documentation to the PSC. KHWc will follow up with the three (3) complaints again, and will provide proper documentation to the PSC 14 days, if permitted.

Additionally, I would like to add that there were extenuating circumstances this calendar year that included several major leaks/incursions into the distribution system, my personal medical leave (from all business activities for several months, which made me unavailable to assist/monitor what was going on with KHWc and the PSC issues adequately) due to serious illness, and an unusually disruptive hurricane season. I recognize that these circumstances do NOT excuse the mistakes, I would like to point out that we were able to maintain continuous safe water distribution to our customers. The Owner and I personally were onsite multiple

times between 2am – 6am to operate back-up generators during power outages, and to repair leaks/incursions to minimize service disruptions to our customers, just as we have done for the past 30 years.

I regret that the Commission had to take this step to initiate a “show cause”, but I urge you to strongly consider allowing me an opportunity to correct the issues with your full support, as I have successfully done in the past, without taking any further action. I truly believe working through these matters promptly will affect the best possible outcome for us, our customers, our community, and the PSC’s mission.

Thank you for taking the time to consider our situation. I look forward to working with you in the near future, and to collaborating with you to effect the best possible overall outcome. If you require any additional information, please feel free to contact me at any time at (310) 821-1235 via telephone, or via email at berdell@alum.mit.edu. Thank you again for your time and consideration.

Sincerely,



Berdell Knowles, Jr.

Appendix

1. Issues successfully resolved during “good faith” period with DEP:
 - a. Secured private capital to refurbished feeder tank and other mandated maintenance items.
 - b. Repaired back-up generator
 - c. Completed all outstanding testing and reporting, and implemented management plan.
 - d. Re-classified system down to Class C (by reducing distribution capacity of system)
 - e. Retained certified operator to ensure compliance with DEP requirements.
 - f. Developed emergency management collateral (maps, etc.)
 - g. Resolved agreed-upon financial matters, resulting in the Agreed Order and associated considerations made for KHWC to recover to self-sustainability.

EXHIBIT M
Rule 25-30.037(2)(u)

Tariff sheets reflecting any changes resulting from the transfer. Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application.

See Attached.

WATER TARIFF

GATOR WATERWORKS, INC.
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

GATOR WATERWORKS, INC.
NAME OF COMPANY

4939 Cross Bayou Blvd.

New Port Richey, Florida 32652
(ADDRESS OF COMPANY)

(727) 848-8292
(Business & Emergency Telephone Number)

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WS-15-0180

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

WATER TARIFF

TABLE OF CONTENTS

	<u>Sheet Number</u>
Communities Served Listing.....	4.0
Description of Territory Served	3.1
Index of	
Rates and Charges Schedules	11.0
Rules and Regulations	6.0
Service Availability Policy and Charges	17.0
Standard Forms.....	20.0
Technical Terms and Abbreviations	5.0
Territory Authority	3.0

TERRITORY AUTHORITY

CERTIFICATE NUMBER – 555-W

COUNTY – Alachua

COMMISSION ORDER(S) APPROVING TERRITORY SERVED –

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-93-1027-FOF-WU	07/13/1993	921195-WU	Original Certificate

DESCRIPTION OF TERRITORY SERVED

The following described lands located in portions of Sections 11 and 12, Township 10-South, Range 20-East, Alachua County, Florida:

Kincaid Road Subdivision - A subdivision lying within the southwest one-quarter of Section 11, Township 10 South, Range 20 East; encompassed within the boundary commencing 2,280 feet north of the southwest corner of Section 11, Township 10 South, Range 20 East and on the eastern side of Florida Highway S-329A; thence running 1,880 feet east (to Southeast 33rd St.); thence running 600 feet south (to Southeast 18th Ave.); thence running 570 feet east (to Southeast 35th Street); thence running 600 feet south (to Southeast 21st Ave.); thence running 2450 feet west to Florida Highway S-329A; thence running 600 feet north (to Southeast 18th Ave.).

Devonshire Hills Subdivision - A subdivision lying within the northeast one-quarter of Section 11, Township 10 South, Range 20 East; encompassed within the boundary commencing at the point that is 600 feet northwest of the point on the western boundary of Section 12, Township 10 South, Range 20 East where it intersects Florida Highway 20; thence running 1,310 feet south (to Southeast 18th Ave.); thence running 1,100 feet east; thence running 300 feet north (to Southeast 17th Ave.); thence running 550 feet west (to Southeast 37th St.); thence running 540 feet north (to Southeast 15th Ave.); thence running 200 feet west (to Southeast 36th St.); thence running 560 feet north to Florida Highway 20; thence running 200 feet northwest along, and south of, Florida Highway 20.

Kreftwood Estates Subdivision - A subdivision lying within the southwest one-quarter of Section 12, Township 10 South, Range 20 East; encompassed within the boundary commencing at the southwest corner of Section 12, Township 10 South, Range 20 East; thence running 1,800 feet north to Florida Highway 20; thence running 750 feet southeast along the southern side of Florida Highway 20 to the northwest corner of the Shady Lawn subdivision (described below); thence running 1,350 feet south to Section 13, Township 10 south, Range 20 East; thence running 575 feet west to the southwest corner of Section 12, Township 10 South, Range 20 East.

Shady Lawn Estates - A subdivision lying within the southwest one-quarter of Section 12, Township 10 South, Range 20 East; encompassed within the boundary commencing at the northeast corner of the Kreftwood Estates subdivision (described above); thence running 750 feet southeast along the southern side of Florida Highway 20; thence running 1,200 feet south to Section 13, Township 10 South, Range 20 East; thence running 575 feet west to the southeast corner of the Kreftwood Estate subdivision (described above).

COMMUNITIES SERVED LISTING

<u>County</u> <u>Name</u>	<u>Development</u> <u>Name</u>	<u>Rate</u> <u>Schedule(s)</u> <u>Available</u>	<u>Sheets No.</u>
Alachua	Kincaid Road S/D	GS	12.0
Alachua	Devonshire Hills S/D	GS	12.0
Alachua	Shady Lawn Estates S/D	GS	12.0
Alachua	Kreftwood S/D	GS	12.0

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is GATOR WATERWORKS, INC.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.
- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises	9.0	14.0
Adjustment of Bills	10.0	22.0
Adjustment of Bills for Meter Error	10.0	23.0
All Water Through Meter	10.0	21.0
Application	7.0	3.0
Applications by Agents	7.0	4.0
Change of Customer's Installation	8.0	11.0
Continuity of Service	8.0	9.0
Customer Billing	9.0	16.0
Delinquent Bills	7.0	8.0
Extensions	7.0	6.0
Filing of Contracts	10.0	25.0
General Information	7.0	1.0
Inspection of Customer's Installation	9.0	13.0
Limitation of Use	8.0	10.0
Meter Accuracy Requirements	10.0	24.0
Meters	10.0	20.0
Payment of Water and Wastewater Service Bills Concurrently	10.0	18.0
Protection of Company's Property	8.0	12.0
Refusal or Discontinuance of Service	7.0	5.0
Right-of-way or Easements	9.0	15.0
Tariff Dispute	7.0	2.0
Termination of Service	9.0	17.0
Type and Maintenance	7.0	7.0
Unauthorized Connections – Water	10.0	19.0

RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.

The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.

- 2.0 TARIFF DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall be resolved pursuant to Rule 25-22.032, Florida Administrative Code.
- 3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service," prepared by the Florida Public Service Commission.
- 4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.
- 5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.
- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.
- 7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.
- 8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

(Continued from Sheet No. 7.0)

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

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

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

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

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

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

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

(Continued on Sheet No. 9.0)

(Continued from Sheet No. 8.0)

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

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

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.

- 16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

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

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

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

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

(Continued on Sheet No. 10.0)

(Continued from Sheet No. 9.0)

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

INDEX OF RATES AND CHARGES SCHEDULES

	<u>Sheet Number</u>
Customer Deposits	14.0
General Service, GS	12.0
Meter Test Deposit	15.0
Miscellaneous Service Charges	16.0
Residential Service, RS.....	13.0

GENERAL SERVICE

RATE SCHEDULE (GS)

AVAILABILITY - Available throughout the area served by the Company.

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

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

BILLING PERIOD - Monthly

RATE -

Base Facility Charge	\$	6.94
Charge per 1,000 gallons	\$	0.92

MINIMUM CHARGE - Base Facility Charge

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer of Certificate

RESIDENTIAL SERVICE

RATE SCHEDULE (RS)

AVAILABILITY – Available throughout the area served by the Company.

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

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

BILLING PERIOD – Monthly

RATE –

Base Facility Charge	\$	6.94
Charge per 1,000 gallons	\$	0.92

MINIMUM CHARGE – Base Facility Charge

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

EFFECTIVE DATE –

TYPE OF FILING – Transfer of Certificate

CUSTOMER DEPOSITS

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

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

	<u>Residential Service</u>	<u>General Service</u>
All meter sizes	\$25.00	\$25.00

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

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

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

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer of Certificate

METER TEST DEPOSIT

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

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

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

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

MISCELLANEOUS SERVICE CHARGES

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

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

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

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

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

LATE PAYMENT CHARGE - This charge may be levied when a customer is delinquent in paying a bill for service, pursuant to subsection 25-30.335(4), F.A.C.

Schedule of Miscellaneous Service Charges

Initial Connection Charge	\$20.00
Normal Reconnection Charge	\$20.00
Violation Reconnection Charge	\$40.00
Premises Visit Charge (in lieu of disconnection)	\$20.00
Charge for After Hours Service	\$10.00
Late Payment Charge	\$ 2.00

EFFECTIVE DATE -

TYPE OF FILING - Transfer of Certificate

WS-15-0180

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF SERVICE AVAILABILITY POLICY AND CHARGES

<u>Description</u>	<u>Sheet Number</u>
Schedule of Charges.....	19.0
Service Availability Policy.....	18.0

SERVICE AVAILABILITY POLICY

The Utility will supply water service to any prospective Customer within the service territory of the Utility, subject to the following conditions:

Customer completes an application for service and pays all pertinent fees and charges required by the Utility.

Customer installs, maintains responsibility for, and allows Utility inspection of all service facilities beyond the Point-of-Delivery.

Customer pays all costs incurred by the Utility if an extension of Utility facilities are required in order to serve Customer.

The Utility shall furnish water plant treatment capacity to meet the stipulated water requirements of the Customer.

SERVICE AVAILABILITY CHARGES

<u>Description</u>	<u>Amount</u>
<u>Customer Connection (Tap-in) Charge</u>	
5/8" x 3/4"	\$ 75.00
<u>Main Extension Charge</u>	
Residential-per ERC.....	Actual Cost
<u>Meter Installation Charge</u>	
5/8" x 3/4"	\$ 75.00
<u>Plant Capacity Charge</u>	
Residential-per ERC.....	\$450.00

EFFECTIVE DATE –

TYPE OF FILING – Transfer of Certificate

WS-15-0180

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
APPLICATION FOR WATER SERVICE	21.0
COPY OF CUSTOMER'S BILL	22.0

APPLICATION FOR WATER SERVICE

GATOR WATERWORKS, INC.
Application for Service

Name _____ S.S. No. _____

Service Address _____

Phone Number _____ Connect Date _____

Mail Address _____

I understand that this is a contract for utility services. By signing this application, I agree to be bound by all the terms and conditions set forth in the Rules and Regulations of the GATOR WATERWORKS, INC., as approved by the Florida Public Service Commission.

To the best of my knowledge, all the above is true and correct. Incorrect information may result in discontinuation of service or an additional service charge.

Signature of Applicant : _____ Date: _____

COPY OF CUSTOMER'S BILL

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

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

The net book value has never been established for Kincaid Hills Water Company.

Based on the 2016 Annual Report on file with the PSC, the proposed net book value of the water system as of December 31, 2016 is as follows:

Water:

Plant in Service:	\$ 454,492
Land	14,000
Accumulated Depreciation:	<u>(337,290)</u>
Net Book Value:	<u>\$ 131,202</u>

Gator calculated the proposed rate base as of December 31, 2017 as follows:

Utility Plant	\$ 454,492
Land	\$ 14,000
Accumulated Deprecation	<u>\$ (\$342,780)</u>
Net Rate Base	<u>\$ 125,712</u>

See Attached Schedules

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

Kincaid Hills Water Co

Exact Legal Name of Respondent

WU690-01-AR

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2016

**WATER
OPERATING
SECTION**

UTILITY NAME: Kincaid Hills Water Co

YEAR OF REPORT DECEMBER 31, 2016

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ 0	\$ _____	\$ _____	\$ 0
302	Franchises_____	0	_____	_____	0
303	Land and Land Rights_____	14000	_____	_____	14000
304	Structures and Improvements_____	6000	_____	_____	6000
305	Collecting and Impounding Reservoirs_____	0	_____	_____	0
306	Lake, River and Other Intakes_____	0	_____	_____	0
307	Wells and Springs_____	3800	_____	_____	3800
308	Infiltration Galleries and Tunnels_____	0	_____	_____	0
309	Supply Mains_____	1500	0	_____	1500
310	Power Generation Equipment_____	18300	_____	_____	18300
311	Pumping Equipment_____	79634	0	_____	79634
320	Water Treatment Equipment_____	2409	0	_____	2409
330	Distribution Reservoirs and Standpipes_____	0	_____	_____	29155
331	Transmission and Distribution Lines_____	29155	0	_____	154830
333	Services_____	0	_____	_____	0
334	Meters and Meter Installations_____	0	0	_____	72423
335	Hydrants_____	72423	_____	_____	0
336	Backflow Prevention Devices_____	0	_____	_____	0
339	Other Plant and Miscellaneous Equipment_____	0	_____	_____	6400
340	Office Furniture and Equipment_____	6400	0	_____	6791
341	Transportation Equipment_____	6791	0	_____	68948
342	Stores Equipment_____	68948	_____	_____	0
343	Tools, Shop and Garage Equipment_____	0	_____	_____	1200
344	Laboratory Equipment_____	1200	_____	_____	200
345	Power Operated Equipment_____	200	_____	_____	2552
346	Communication Equipment_____	2552	_____	_____	350
347	Miscellaneous Equipment_____	350	_____	_____	0
348	Other Tangible Plant_____	0	_____	_____	0
	Total Water Plant_____	\$ 468492	\$ 0	0	468492

UTILITY NAME: Kincaid Hills Water Co.

YEAR OF REPORT DECEMBER 31, 2016

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	30	%	0.0333 %	\$ 5379	\$	\$ 0	\$ 5379
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	40	= %	0.025 %	2660		0	2660
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%	141	0	0	141
310	Power Generating Equipment	10	%	0.1 %	18300	0		18300
311	Pumping Equipment	5	%	0.2 %	20290	0	0	20290
320	Water Treatment Equipment	5	%	0.2 %	2653	0	0	2653
330	Distribution Reservoirs & Standpipes	30	%	0.0333 %	19388	0	0	19388
331	Trans. & Dist. Mains	40	%	0.025 %	104494	0	5855	110349
333	Services	40	%	0.025 %		0		
334	Meter & Meter Installations	20	%	0.05 %	71239	0	450	71689
335	Hydrants		%	%		0		
336	Backflow Prevention Devices		%	%		0		
339	Other Plant and Miscellaneous Equipment	5	%	0.2 %	6400	0		6400
340	Office Furniture and Equipment	5	%	0.2 %	6791	0		6791
341	Transportation Equipment	5	%	0.2 %	68948	0	0	68948
342	Stores Equipment	5	%	0.2 %	0	0		0
343	Tools, Shop and Garage Equipment	10	%	0.1 %	1200 ##	0		1200
344	Laboratory Equipment	3	%	0.3333 %	200 ##	0		200
345	Power Operated Equipment	5	%	0.2 %	2552 ##	0		2552
346	Communication Equipment	3	%	0.3333 %	350 ##	0		350
347	Miscellaneous Equipment	5	%	0.2 %	0	0		
348	Other Tangible Plant		%	%				
	Totals				\$ 330985	\$	\$ 6305	\$ 337290 *

* This amount should tie to Sheet F-5.

Plant In Service Balances				January-16			February-16			March-16		
Account Number	Account	Depreciation Rate	12/31/16 Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance
302	Franchises	2.50%	\$ -			\$ -			\$ -			\$ -
304.2	Structures and Improvements	3.70%	\$ 6,000.00			\$ 6,000.00			\$ 6,000.00			\$ 6,000.00
305	Collecting and Impounding Reservoirs	2.50%	\$ -			\$ -			\$ -			\$ -
306	Lake, River and Other Intakes	2.50%	\$ -			\$ -			\$ -			\$ -
307	Wells and Springs	3.70%	\$ 3,800.00			\$ 3,800.00			\$ 3,800.00			\$ 3,800.00
308	Infiltration Galleries & Tunnels	2.50%	\$ -			\$ -			\$ -			\$ -
309	Supply Mains	3.13%	\$ 1,500.00			\$ 1,500.00			\$ 1,500.00			\$ 1,500.00
310	Power Generating Equipment	5.88%	\$ 18,300.00			\$ 18,300.00			\$ 18,300.00			\$ 18,300.00
311.2	Pumping Equipment	5.88%	\$ 79,634.00			\$ 79,634.00			\$ 79,634.00			\$ 79,634.00
320	Water Treatment Equipment	5.88%	\$ 2,409.00			\$ 2,409.00			\$ 2,409.00			\$ 2,409.00
330	Distribution Reservoirs & Standpipes	3.03%	\$ 29,155.00			\$ 29,155.00			\$ 29,155.00			\$ 29,155.00
331	Trans. & Dist. Mains	2.63%	\$ 154,830.00			\$ 154,830.00			\$ 154,830.00			\$ 154,830.00
333	Services	2.86%	\$ -			\$ -			\$ -			\$ -
334	Meter & Meter Installations	5.88%	\$ 72,423.00			\$ 72,423.00			\$ 72,423.00			\$ 72,423.00
334.4	Meter & Meter Installations	5.88%	\$ -			\$ -			\$ -			\$ -
335	Hydrants	2.50%	\$ -			\$ -			\$ -			\$ -
336	Backflow Prevention Devices	10.00%	\$ -			\$ -			\$ -			\$ -
339	Other Plant and Miscellaneous Equipment	5.00%	\$ 6,400.00			\$ 6,400.00			\$ 6,400.00			\$ 6,400.00
340	Office Furniture and Equipment	6.67%	\$ 6,791.00			\$ 6,791.00			\$ 6,791.00			\$ 6,791.00
341	Transportation Equipment	16.67%	\$ 68,948.00			\$ 68,948.00			\$ 68,948.00			\$ 68,948.00
342	Stores Equipment	7.14%	\$ -			\$ -			\$ -			\$ -
343	Tools, Shop and Garage Equipment	6.67%	\$ 1,200.00			\$ 1,200.00			\$ 1,200.00			\$ 1,200.00
344	Laboratory Equipment	6.67%	\$ 200.00			\$ 200.00			\$ 200.00			\$ 200.00
345	Power Operated Equipment	10.00%	\$ 2,552.00			\$ 2,552.00			\$ 2,552.00			\$ 2,552.00
346	Communication Equipment	10.00%	\$ 350.00			\$ 350.00			\$ 350.00			\$ 350.00
347	Miscellaneous Equipment	6.67%	\$ -			\$ -			\$ -			\$ -
348	Other Tangible Plant	10.00%	\$ -			\$ -			\$ -			\$ -
301	Intangible Plant	2.50%	\$ -			\$ -			\$ -			\$ -
	Total		\$ 454,492.00	\$ -	\$ -	\$ 454,492.00	\$ -	\$ -	\$ 454,492.00	\$ -	\$ -	\$ 454,492.00
	Land		\$ 14,000.00									

Land

April-16			May-16			June-16			July-16			
Additions	Retirements	Balance 4/30/15	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions
		\$ -			\$ -			\$ -			\$ -	
		\$ 6,000.00			\$ 6,000.00			\$ 6,000.00			\$ 6,000.00	
		\$ -			\$ -			\$ -			\$ -	
		\$ -			\$ -			\$ -			\$ -	
		\$ 3,800.00			\$ 3,800.00			\$ 3,800.00			\$ 3,800.00	
		\$ -			\$ -			\$ -			\$ -	
		\$ 1,500.00			\$ 1,500.00			\$ 1,500.00			\$ 1,500.00	
		\$ 18,300.00			\$ 18,300.00			\$ 18,300.00			\$ 18,300.00	
		\$ 79,634.00			\$ 79,634.00			\$ 79,634.00			\$ 79,634.00	
		\$ 2,409.00			\$ 2,409.00			\$ 2,409.00			\$ 2,409.00	
		\$ 29,155.00			\$ 29,155.00			\$ 29,155.00			\$ 29,155.00	
		\$ 154,830.00			\$ 154,830.00			\$ 154,830.00			\$ 154,830.00	
		\$ -			\$ -			\$ -			\$ -	
		\$ 72,423.00			\$ 72,423.00			\$ 72,423.00			\$ 72,423.00	
		\$ -			\$ -			\$ -			\$ -	
		\$ -			\$ -			\$ -			\$ -	
		\$ -			\$ -			\$ -			\$ -	
		\$ 6,400.00			\$ 6,400.00			\$ 6,400.00			\$ 6,400.00	
		\$ 6,791.00			\$ 6,791.00			\$ 6,791.00			\$ 6,791.00	
		\$ 68,948.00			\$ 68,948.00			\$ 68,948.00			\$ 68,948.00	
		\$ -			\$ -			\$ -			\$ -	
		\$ 1,200.00			\$ 1,200.00			\$ 1,200.00			\$ 1,200.00	
		\$ 200.00			\$ 200.00			\$ 200.00			\$ 200.00	
		\$ 2,552.00			\$ 2,552.00			\$ 2,552.00			\$ 2,552.00	
		\$ 350.00			\$ 350.00			\$ 350.00			\$ 350.00	
		\$ -			\$ -			\$ -			\$ -	
		\$ -			\$ -			\$ -			\$ -	
		\$ -			\$ -			\$ -			\$ -	
\$ -	\$ -	\$ 454,492.00	\$ -	\$ -	\$ 454,492.00	\$ -	\$ -	\$ 454,492.00	\$ -	\$ -	\$ 454,492.00	\$ -

[illegible]

\$ 468,492.00

Accumulated Depreciation - Depreciation Expense				January-16			February-16			March-16		
Account Number	Account	Depreciation Rate	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance
302	Franchises	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
304.2	Structures and Improvements	3.70%	\$ 5,379.00	\$ 18.50	\$ -	\$ 5,397.50	\$ 18.50	\$ -	\$ 5,416.00	\$ 18.50	\$ -	\$ 5,434.50
305	Collecting and Impounding Reservoirs	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
306	Lake, River and Other Intakes	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307	Wells and Springs	3.70%	\$ 2,660.00	\$ 11.72	\$ -	\$ 2,671.72	\$ 11.72	\$ -	\$ 2,683.43	\$ 11.72	\$ -	\$ 2,695.15
308	Infiltration Galleries & Tunnels	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
309	Supply Mains	3.13%	\$ 141.00	\$ 3.91	\$ -	\$ 144.91	\$ 3.91	\$ -	\$ 148.83	\$ 3.91	\$ -	\$ 152.74
310	Power Generating Equipment	5.88%	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00
311.2	Pumping Equipment	5.88%	\$ 20,290.00	\$ 390.21	\$ -	\$ 20,680.21	\$ 390.21	\$ -	\$ 21,070.41	\$ 390.21	\$ -	\$ 21,460.62
320	Water Treatment Equipment	5.88%	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00
330	Distribution Reservoirs & Standpipes	3.03%	\$ 19,388.00	\$ 73.62	\$ -	\$ 19,461.62	\$ 73.62	\$ -	\$ 19,535.23	\$ 73.62	\$ -	\$ 19,608.85
331	Trans. & Dist. Mains	2.63%	\$ 104,494.00	\$ 339.34	\$ -	\$ 104,833.34	\$ 339.34	\$ -	\$ 105,172.67	\$ 339.34	\$ -	\$ 105,512.01
333	Services	2.86%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
334	Meter & Meter Installations	5.88%	\$ 71,239.00	\$ 354.87	\$ -	\$ 71,593.87	\$ 354.87	\$ (29.87)	\$ 71,918.88	\$ 354.87	\$ -	\$ 72,273.75
334.4	Meter & Meter Installations	5.88%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
335	Hydrants	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
336	Backflow Prevention Devices	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
339	Other Plant and Miscellaneous Equipment	5.00%	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00
340	Office Furniture and Equipment	6.67%	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00
341	Transportation Equipment	16.67%	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00
342	Stores Equipment	7.14%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343	Tools, Shop and Garage Equipment	6.67%	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00
344	Laboratory Equipment	6.67%	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00
345	Power Operated Equipment	10.00%	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00
346	Communication Equipment	10.00%	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00
347	Miscellaneous Equipment	6.67%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348	Other Tangible Plant	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
301	Intangible Plant	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total		\$ 330,985.00	\$ 1,192.16	\$ -	\$ 332,177.16	\$ 1,192.16	\$ (29.87)	\$ 333,339.45	\$ 1,192.16	\$ -	\$ 334,531.61

April-16			May-16			June-16			July-16			
Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18.50	\$ -	\$ 5,453.00	\$ 18.50	\$ -	\$ 5,471.50	\$ 18.50	\$ -	\$ 5,490.00	\$ 18.50	\$ -	\$ 5,508.50	\$ 18.50
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11.72	\$ -	\$ 2,706.87	\$ 11.72	\$ -	\$ 2,718.58	\$ 11.72	\$ -	\$ 2,730.30	\$ 11.72	\$ -	\$ 2,742.02	\$ 11.72
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3.91	\$ -	\$ 156.65	\$ 3.91	\$ -	\$ 160.56	\$ 3.91	\$ -	\$ 164.48	\$ 3.91	\$ -	\$ 168.39	\$ 3.91
\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -
\$ 390.21	\$ -	\$ 21,850.83	\$ 390.21	\$ -	\$ 22,241.03	\$ 390.21	\$ -	\$ 22,631.24	\$ 390.21	\$ -	\$ 23,021.45	\$ 390.21
\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -
\$ 73.62	\$ -	\$ 19,682.47	\$ 73.62	\$ -	\$ 19,756.08	\$ 73.62	\$ -	\$ 19,829.70	\$ 73.62	\$ -	\$ 19,903.31	\$ 73.62
\$ 339.34	\$ -	\$ 105,851.34	\$ 339.34	\$ -	\$ 106,190.68	\$ 339.34	\$ -	\$ 106,530.01	\$ 339.34	\$ -	\$ 106,869.35	\$ 339.34
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 354.87	\$ -	\$ 72,628.62	\$ 354.87	\$ -	\$ 72,983.49	\$ -	\$ -	\$ 72,983.49	\$ 2.88	\$ -	\$ 72,986.37	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -
\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -
\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -
\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -
\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -
\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,192.16	\$ -	\$ 335,723.77	#####	\$ -	\$ 336,915.93	\$ 837.29	\$ -	\$ 337,753.22	\$ 840.17	\$ -	\$ 338,593.39	\$ 837.29

\$ 468,492.00

August-16		September-16				October-16				November-16				December-16			
Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ 5,527.00	\$ 18.50	\$ -	\$ 5,545.50	\$ 18.50	\$ -	\$ 5,564.00	\$ 18.50	\$ -	\$ 5,582.50	\$ 18.50	\$ -	\$ 5,601.00				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ 2,753.73	\$ 11.72	\$ -	\$ 2,765.45	\$ 11.72	\$ -	\$ 2,777.17	\$ 11.72	\$ -	\$ 2,788.88	\$ 11.72	\$ -	\$ 2,800.60				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ 172.30	\$ 3.91	\$ -	\$ 176.21	\$ 3.91	\$ -	\$ 180.13	\$ 3.91	\$ -	\$ 184.04	\$ 3.91	\$ -	\$ 187.95				
\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ 18,300.00				
\$ -	\$ 23,411.65	\$ 390.21	\$ -	\$ 23,801.86	\$ 390.21	\$ -	\$ 24,192.07	\$ 390.21	\$ -	\$ 24,582.27	\$ 390.21	\$ -	\$ 24,972.48				
\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00	\$ -	\$ -	\$ 2,653.00				
\$ -	\$ 19,976.93	\$ 73.62	\$ -	\$ 20,050.55	\$ 73.62	\$ -	\$ 20,124.16	\$ 73.62	\$ -	\$ 20,197.78	\$ 73.62	\$ -	\$ 20,271.40				
\$ -	\$ 107,208.69	\$ 339.34	\$ -	\$ 107,548.02	\$ 339.34	\$ -	\$ 107,887.36	\$ 339.34	\$ -	\$ 108,226.69	\$ 339.34	\$ -	\$ 108,566.03				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ 72,986.37	\$ -	\$ -	\$ 72,986.37	\$ -	\$ -	\$ 72,986.37	\$ -	\$ -	\$ 72,986.37	\$ -	\$ -	\$ 72,986.37				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00				
\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00	\$ -	\$ -	\$ 6,791.00				
\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00	\$ -	\$ -	\$ 68,948.00				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00				
\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 200.00				
\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00	\$ -	\$ -	\$ 2,552.00				
\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ 350.00				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ 339,430.68	\$ 837.29	\$ -	\$ 340,267.96	\$ 837.29	\$ -	\$ 341,105.25	\$ 837.29	\$ -	\$ 341,942.54	\$ 837.29	\$ -	\$ 342,779.83				

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

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

See attached Tax Return for the 2016.

HRB TAX GROUP INC
5010 NEWBERRY RD STE A
GAINESVILLE FL 32608
(352) 372-7269

KINCAID HILLS WATER COMPANY

59-2221952

INSTRUCTIONS FOR FILING 2016 FEDERAL FORM 1120S

- .YOU HAVE ELECTED TO FILE THE S-CORPORATION RETURN ELECTRONICALLY.
- .YOUR TAX OBLIGATION IS EXACTLY MET. NO ADDITIONAL TAX IS DUE.
- .AN OFFICER MUST SIGN FORM 8879-S.
- .DO NOT MAIL A PAPER COPY TO THE IRS.

CLIENT COPY

2016 TWO YEAR COMPARISON

KINCAID HILLS WATER COMPANY
59-2221952

Page 1

Keep for Your Records

INCOME:	2016	2015	DIFFERENCE
Gross receipts or sales	44,593	44,451	142
Less returns and allowances			
Balance	44,593	44,451	142
Cost of goods sold			
Gross profit	44,593	44,451	142
Net Form 4797 gain/(loss)			
Other income/(loss)			
TOTAL INCOME/(LOSS)	44,593	44,451	142

DEDUCTIONS:

Compensation of officers			
Salaries and wages			
Repairs and maintenance			
Bad debts	4,101	4,202	-101
Rents			
Taxes and licenses			
Interest			
Depreciation			
Depletion			
Advertising			
Pension, profit-sharing, plans, etc.,			
Employee benefit programs			
Other deductions	64,166	68,211	-4,045
Total deductions	68,267	72,413	-4,146
Ordinary Income	-23,674	-27,962	4,288

TAXES & PAYMENTS:

Tax	
Payments	
Estimated tax penalty	
Amount OWED with return	
Overpayment	
Amount credited to next year	
REFUND	

SCHEDULE K - Income/(Loss):

Ordinary income less built-in gains tax	-23,674	-27,962	4,288
Net income/(loss) from rental real estate			
Net income/(loss) from other rentals			
Interest income			
Dividend income			
Royalty income			
Net short-term capital gain/(loss)			
Net long-term capital gain/(loss)			
Net gain/(loss) under Section 1231			
Other income/(loss)			

2016 TWO YEAR COMPARISON

KINCAID HILLS WATER COMPANY
59-2221952

Page 2

Keep for your Records

SCHEDULE K – Deductions:

2016

2015

DIFFERENCE

Section 179 expense deduction
Charitable Contributions
Investment interest expense
Section 59(e)(2) expenditures
Other deductions

CREDITS:

Low-income housing credit (Sec 42 (j)(5) from pre-2009 buildings
Low-income housing credit (other) from pre-2009 buildings
Low-income housing credit (Sec 42 (j)(5) from post-2008 buildings
Low-income housing credit (other) from post-2008 buildings
Qualified rehabilitation expenditures
Other rental real estate credits
Other rental credits
Alcohol used as fuel
Other credits

FOREIGN TRANSACTIONS:

Gross income from all sources
Gross income sourced at shareholder level
Foreign Gross Income at Corp level (passive)
Listed categories
General limitation
Deductions at shareholder level (Interest expense)
Other
Deductions allocated at Corp level (passive)
Listed categories
General limitations
Foreign taxes paid
Foreign taxes accrued
Reduction in taxes available for credit and gross income

AMT ITEMS:

Depreciation adjustment – post '86 property
Adjusted gain/(loss)
Depletion
Gross income from oil, gas, or geothermal property
Deductions from oil, gas, or geothermal property
Other AMT items

ITEMS AFFECTING SHAREHOLDER BASIS

Tax-exempt interest income
Other tax-exempt income
Nondeductible expenses
Property distributions other than dividends
Repayment of loans from shareholders

OTHER INFORMATION

Investment income
Investment expenses
Dividend distributions paid from accumulated earnings and profits
Income/loss reconciliation

-23,674

-27,962

4,288

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

2016

For calendar year 2016 or tax year beginning

, 2016, ending

, 20

A S election
effective date

09-15-1982

B Business activity
code number
(see instructions)

221300

C Check if Sch. M-3
attached ☐

TYPE
OR
PRINT

Name

KINCAID HILLS WATER COMPANY

Number, street, and room or suite no. If a P.O. box, see instructions.

PO BOX 579

City or town, state or province, country, and ZIP or foreign postal code

GAINESVILLE FL 32602

D Employer ID number

59-2221952

E Date incorporated

09-15-1982

F Total assets (see inst.)

\$ 0

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filedH Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year 2

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a	Gross receipts or sales	1a	44,593
	b	Returns and allowances	1b	
	c	Balance. Subtract line 1b from line 1a	1c	44,593
	2	Cost of goods sold (attach Form 1125-A)	2	
	3	Gross profit. Subtract line 2 from line 1c	3	44,593
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	
Deductions (see instructions for limitations)	5	Other income (loss) (see instructions--attach statement)	5	
	6	Total income (loss). Add lines 3 through 5	6	44,593
	7	Compensation of officers (see instructions--attach Form 1125-E)	7	
	8	Salaries and wages (less employment credits)	8	
	9	Repairs and maintenance	9	
	10	Bad debts	10	4,101
	11	Rents	11	
	12	Taxes and licenses	12	
	13	Interest	13	
	14	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	
	15	Depletion (Do not deduct oil and gas depletion.)	15	
Tax and Payments	16	Advertising	16	
	17	Pension, profit-sharing, etc., plans	17	
	18	Employee benefit programs	18	
	19	Other deductions (attach statement)	19	64,166#1
	20	Total deductions. Add lines 7 through 19	20	68,267
	21	Ordinary business income (loss). Subtract line 20 from line 6	21	-23,674
	22a	Excess net passive income or LIFO recapture tax (see instructions)	22a	
	b	Tax from Schedule D (Form 1120S)	22b	
	c	Add lines 22a and 22b (see instructions for additional taxes)	22c	0
	23a	2016 estimated tax payments and 2015 overpayment credited to 2016	23a	
	b	Tax deposited with Form 7004	23b	
	c	Credit for federal tax paid on fuels (attach Form 4136)	23c	
23d	Add lines 23a through 23c	23d	0	
24	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24		
25	Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25	0	
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26		
27	Enter amount from line 26 Credited to 2017 estimated tax 0 Refunded	27	0	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign
Here

Signature of officer

Date

CEO

Title

May the IRS discuss this return
with the preparer shown below
(see inst.)? ☒ Yes ☐ No

Paid
Preparer
Use Only

Print/Type preparer's name

LISA REID

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

P00399472

Firm's name HRB TAX GROUP INC

Firm's EIN 431871840

Firm's address 5010 NEWBERRY RD STE A
GAINESVILLE FL 32608Phone no.
3523727269

For Paperwork Reduction Act Notice, see separate instructions.

Form 1120S (2016)

Schedule B Other Information (see instructions)

1	Check accounting method:	a	<input checked="" type="checkbox"/> Cash	b	<input type="checkbox"/> Accrual	Yes	No	
		c	<input type="checkbox"/> Other (specify) _____					
2	See the instructions and enter the:							
	a Business activity		UTILITIES	b Product or service		WATER SEWAGE & OTHE		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation							X
4	At the end of the tax year, did the corporation:							
	a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below							X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below	Yes	No
			X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5 a	At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below.	Yes	No
	(i) Total shares of restricted stock		X
	(ii) Total shares of non-restricted stock		
b	At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below.	Yes	No
	(i) Total shares of stock outstanding at the end of the tax year		X
	(ii) Total shares of stock outstanding if all instruments were executed		
6	Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?	Yes	No
			X
7	Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.	Yes	No
8	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions)	Yes	No
9	Enter the accumulated earnings and profits of the corporation at the end of the tax year.	Yes	No
10	Does the corporation satisfy both of the following conditions?	Yes	No
	a The corporation's total receipts (see instructions) for the tax year were less than \$250,000		
	b The corporation's total assets at the end of the tax year were less than \$250,000	X	
	If "Yes," the corporation is not required to complete Schedules L and M-1.		
11	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction \$	Yes	No
			X
12	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions	Yes	No
			X
13 a	Did the corporation make any payments in 2016 that would required it to file Form(s) 1099?	Yes	No
			X
b	If "Yes," did the corporation file or will it file required Forms 1099?	Yes	No

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	-23,674
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends 5b		
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
Income (Loss)	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss) 8b		
	c Unrecaptured section 1250 gain (attach statement) 8c		
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
10 Other income (loss) (see instructions) Type ▶	10		
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
d Other deductions (see instructions) Type ▶	12d		
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
	g Other credits (see instructions) ... Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement)	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive category	14i	
	j General category	14j	
	k Other (attach statement)	14k	
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties--gross income	15d	
	e Oil, gas, and geothermal properties--deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Distributions (attach statement if required) (see instructions)	16d	
	e Repayment of loans from shareholders	16e	

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	-23,674

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions) ..				
6	Other current assets (attach statement) ...				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets ...				
b	Less accumulated depreciation	()		()	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach statement)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (attach stmt.)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity ...				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3 (see instructions)

1 Net income (loss) per books		5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3C, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3		8 Income (loss) (Schedule K, line 18). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	-61,056		
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	(23,674)		
5 Other reductions	()	()	
6 Combine lines 1 through 5	-84,730		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6 ..	-84,730		

Department of the Treasury
Internal Revenue Service

▶ Don't send to the IRS. Keep for your records.

▶ Information about Form 8879-S and its instructions is at www.irs.gov/form8879s.**2016**

For calendar year 2016, or tax year beginning , 2016, and ending , 20

Name of corporation

KINCAID HILLS WATER COMPANY

Employer identification number

59-2221952

Part I Tax Return Information (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120S, line 1c)	1	44,593
2	Gross profit (Form 1120S, line 3)	2	44,593
3	Ordinary business income (loss) (Form 1120S, line 21)	3	-23,674
4	Net rental real estate income (loss) (Form 1120S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120S, Schedule K, line 18)	5	-23,674

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2016 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☐ I authorize _____ to enter my PIN _____ as my signature
ERO firm name don't enter all zeros
on the corporation's 2016 electronically filed income tax return.

☒ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2016 electronically filed income tax return.

Officer's signature ▶ _____ Date ▶ _____ Title ▶ CEO

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

594598 13845

don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2016 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form — See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-S** (2016)

2016 DETAIL STATEMENTSKINCAID HILLS WATER COMPANY
59-2221952

PAGE 1

STATEMENT #1 - OTHER DEDUCTIONS (1120S PG1 LINE 19)

PROPERTY TAX.....	1,261
REGULATORY ASSESSMENT FEE.....	2,007
PURCHASED POWER.....	14,445
MATERIALS AND SUPPLIES.....	3,554
BILLING.....	2,400
PROFESSIONAL.....	13,323
TESTING	
OTHER FEES.....	6,801
TRANSPORTATION.....	12,250
MISCELLANEOUS.....	8,125
OTHER EXPENSE	

TOTAL CARRIED TO 1120S PG1 LINE 19..... 64,166

CLIENT COPY

KINCAID HILLS WATER COMPANY
59-2221952

Shareholder: Number and Name		Profit Sharing Percentage	Shareholder: Number and Name		Profit Sharing Percentage
1	BERDELL KNOWLES	50.000000			
2	MARILYN KNOWLES	50.000000			
TOTAL:		100			

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

A statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years.

Kincaid Hills Water Company is responsible for filing the Annual Report 2017.

Gator Waterworks, Inc. paid the FPSC directly from the purchase price for the (1) Delinquent RAFS, plus penalty & interest; (2) Penalty & interest for not filing the past Annual Reports; and (3) for the 2017 RAFs. See Attached.

Gator Waterworks, Inc. is responsible for the 2018 Annual Reports and RAFs from the date of closing and subsequent years.

Gator Waterworks, Inc.

February 26, 2018

Florida Public Service Commission
ATTN: FISCAL
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

To Whom it May Concern:

On February 23, 2018, Gator Waterworks, Inc. (Gator Waterworks) acquired the water system assets of Kincaid Hills Water Company through closing. See attached Closing Statement. As a condition of the closing, Gator Waterworks, Inc. is submitting payment directly to the Florida Public Service Commission (FPSC) for the (a) past due RAFs, including penalty and interest pursuant to Order No. PSC-2017-0470-PCO-WU (Revocation Order) issued December 15, 2017; (b) Annual Report penalties pursuant to Revocation Order; and (c) Current 2017 RAF due. These payments are being made directly to the FPSC from the proceeds of the sales transaction. Gator Waterworks wanted to ensure these payments were made directly, as opposed to being submitted to the Seller with the possibility of no payment being subsequently made to the FPSC. Please find enclosed one check in the amount of Thirty Eight Thousand Six Hundred Ninety Eight Dollars and Eight Cents - **\$38,698.08**. This represents payment for:

Table 1: Summary of RAF Penalties as of 11/07/17

Year	Revenues	RAFs (4.5%)	Penalty (25%) (As of 11/07/17)	Interest (1%) (As of 11/07/17)	Payments	Total Due (As of 11/07/17)
2016	\$44,593.00	\$2,006.69	\$501.67	\$160.54	\$0.00	\$2,668.90
2015	\$44,451.00	\$2000.30	\$0.00	\$0.00	\$2000.30	\$0.00
2014	\$48,840.00	\$2,197.80	\$0.00	\$0.00	\$2,197.80	\$0.00
2013	\$49,756.00	\$2,239.02	\$559.76	\$985.17	\$0.00	\$3,783.95
2012	\$58,535.00	\$2,634.08	\$658.52	\$1,501.43	\$0.00	\$4,794.03
2011	\$59,052.00	\$2,657.34	\$664.34	\$876.92	\$4,198.60	\$0.00

Year	Revenues	RAFs (4.5%)	Penalty (25%) (As of 11/07/17)	Interest (1%) (As of 11/07/17)	Payments	Total Due (As of 11/07/17)
2010	\$58,713.00	\$2,642.09	\$660.52	\$1,188.94	\$4,491.55	\$0.00
2009	\$60,274.00	\$2,712.33	\$678.08	\$2,522.47	\$0.00	\$5,912.88
2008	\$50,661.00	\$2,279.75	\$569.94	\$2,393.74	\$0.00	\$5,243.43
Totals	\$474,875.00	\$21,369.40	\$4,292.83	\$9,629.21	\$12,888.25	\$22,403.19

Table 2: Summary of Annual Report Penalties

YEAR	DATE DUE	DATE SUBMITTED	DAYS LATE	PENALTY (\$3 per day)
2013	03/31/2014	11/14/2014	228	\$684.00
2012	04/01/2013	11/14/2014	593	\$1,779.00
2011	04/02/2012	11/14/2014	958	\$2,874.00
2010	03/31/2011	11/14/2014	1,324	\$3,972.00
2009	03/31/2010	11/14/2014	1,689	\$5,067.00
TOTAL			4,792	\$14,376.00

Plus current 2017 RAFs of \$1,918.89 – (\$42,642 X 4.5%).

Gator Waterworks also made similar payments to the Alachua County Tax Collector for unpaid property and tangible taxes.

Gator Waterworks will be compiling the required Transfer Application in the near future. As part of that application, Gator Waterworks will be submitting a request for abeyance of the revocation docket (Dkt 20170200-WU) pending the processing of the Transfer Application.

If you have any questions, please do not hesitate to contact me at (727) 848-8292, ext. 245.

Respectfully,



Troy Rendell

Vice President

Investor Owned Utilities

// for Gator Waterworks, Inc.

Small Water Utility Regulatory Assessment Fee Return

Florida Public Service Commission

STATUS:

☐ Actual Return
☐ Estimated Return
☐ Amended Return

PERIOD COVERED:

1/1/2017 TO 12/31/2017

(See Filing Instructions on Back of Form)

WU690-17-W-0-R
 Kincaid Hills Water Company
 P. O. Box 15016
 Gainesville, FL 32604-5016

Please Complete Below If Official Mailing Address Has Changed

FOR PSC USE ONLY

Check # _____
 \$ _____ 0604001
 _____ 003001
 \$ _____ E
 \$ _____ P 0604001
 _____ 004010
 \$ _____ I
 Postmark Date _____
 Initials of Preparer _____

(Name of Utility)	(Address)	(City/State)	(Zip)
Florida Public Service Commission Certificate			
WATER OPERATING REVENUES	# _____	# _____	# <u>555-W</u>
1. Unmetered Water Revenues (460)	\$ _____	\$ _____	\$ _____
MEASURED WATER REVENUES			<u>42,642</u>
2. Residential Revenues (461.1)	_____	_____	_____
3. Commercial Revenues (461.2)	_____	_____	_____
4. Industrial Revenues (461.3)	_____	_____	_____
5. Revenues from Public Authorities (461.4)	_____	_____	_____
6. Multiple Family Dwelling Revenues (461.5)	_____	_____	_____
7. TOTAL METERED SALES	\$ _____	\$ _____	\$ <u>42,642</u>
FIRE PROTECTION REVENUES			
8. Public Fire Protection (462.1)	_____	_____	_____
9. Private Fire Protection (462.2)	_____	_____	_____
10. TOTAL FIRE PROTECTION REVENUE	\$ _____	\$ _____	\$ _____
11. Other Sales to Public Authorities (464)	_____	_____	_____
12. Sales to Irrigation Customers (465)	_____	_____	_____
13. SALES FOR RESALE (466)	_____	_____	_____
14. Interdepartmental Sales (467)	_____	_____	_____
15. TOTAL WATER SALES (Lines 1+7+10+11+12+13+14)	\$ _____	\$ _____	\$ <u>42,642</u>
OTHER WATER REVENUES			
16. Guaranteed Revenues (Include Revenues from A.F.P.I. Charges) (469)	_____	_____	_____
17. Forfeited Discounts (470)	_____	_____	_____
18. Miscellaneous Service Revenues (471)	_____	_____	_____
19. Rents From Water Property (472)	_____	_____	_____
20. Interdepartmental Rents (473)	_____	_____	_____
21. Other Water Revenues (474) Describe:	_____	_____	_____
<i>Describe:</i>	_____	_____	_____
22. TOTAL OTHER WATER REVENUES (Lines 16+17+18+19+20+21)	\$ _____	\$ _____	\$ _____
23. TOTAL WATER OPERATING REVENUES (Lines 15+22) ⁽¹⁾	\$ _____	\$ _____	\$ _____
24. Less: Expense for Purchased Water From FPSC-Regulated Utility	(_____)	(_____)	(_____)
25. NET WATER OPERATING REVENUES (Line 23 Less Line 24)	_____	_____	<u>42,642</u>
26. REGULATORY ASSESSMENT FEE DUE - (Multiply Line 25 by 0.045) (If more than \$25, enter amount. If less, enter \$25) ⁽²⁾	_____	_____	<u>1,918.89</u>
27. Less: Approved Prior-Period Credit	_____	_____	_____
28. NET REGULATORY ASSESSMENT FEE (Line 26 Less Line 27)	_____	_____	_____
29. Penalty for Late Payment	_____	_____	_____
30. Interest for Late Payment	_____	_____	_____
31. Extension Payment Fee (see "5. Extension" on back)	_____	_____	_____
32. TOTAL AMOUNT DUE (Line 28 + 29 + 30)	_____	_____	\$ <u>1,918.89</u>

⁽¹⁾These amounts must agree with Annual Report Schedule F-3

⁽²⁾As provided in Section 350.113, Florida Statutes, the Minimum Annual Fee is \$25 (see Item #7 on back)

If service was purchased from a regulated utility, please insert its name: _____

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

(Signature of Utility Official)

(Title)

(Date)

(Please Print Name)

Telephone Number ()

Fax Number ()

F.E.I. No. _____

SELLER CLOSING STATEMENT

File Number: 18-031 scb

Name of Buyer: Gator Waterworks, Inc.
Name of Seller: Kincaid Hills Water Company
Property: Water systems in ALACHUA County, Florida, and the real and personal property associated thereto serving the subdivisions of Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn
Settlement Agent: Booth & Cook, P.A.
Place of Settlement: 7510 Ridge Road, Port Richey, FL 34668
Settlement Date: February 23, 2018
Purchase Price: \$82,500.00*

PURCHASE PRICE DISBURSED UPON CLOSING (Purchase and Sale Agreement, Article 1.3; to be adjusted, if applicable, pursuant to terms and provisions of the PSA to determine the final purchase price*-see below):	\$82,500.00
Billed base facility charge, if any, assumed by Buyer	\$0.00
Past Due RAFs (plus penalties and interest) to FL PSC	(\$22,403.19)
Current 2017 RAFs to FL PSC	(\$1,918.89)
Penalties and interest - Annual Reports to FL PSC	(\$14,376.00)
2017/2018 Florida Dept of Environmental Protection operating fees to be paid by Buyer P.O.C. if not previously paid by Seller	\$0.00
Twenty Percent (20%) withheld pending FPSC approval	(\$8,034.28)
2015 delinquent tangible tax Acct. #358959, March due:	(\$1,027.56)
2018 Taxes not prorated per agreement of parties	\$0.00
2018 Tangible tax not prorated per agreement of parties	\$0.00
2015/2016/2017 real estate taxes, #16189-001-017 (March amounts):	(\$837.27)
2015/2016/2017 real estate taxes, #16134-022-000 (March amounts):	(\$1,857.72)
NET DUE TO SELLER at closing:	\$32,045.09

[signature page follows]

RECEIVED A TRUE COPY OF ABOVE AND HEREBY APPROVE AND CERTIFY IT CORRECT.

Kincaid Hills Water Company
a dissolved Florida corporation

Berdell Knowles
Berdell Knowles, President

BUYER CLOSING STATEMENT

File Number: 18-031 scb

Name of Buyer: Gator Waterworks, Inc.

Name of Seller: Kincaid Hills Water Company

Property: Water system in ALACHUA County, Florida, and the real and personal property associated thereto serving the subdivisions of Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn

Settlement Agent: Booth & Cook, P.A.

Place of Settlement: 7510 Ridge Road, Port Richey, FL 34668

Settlement Date: February 23, 2018

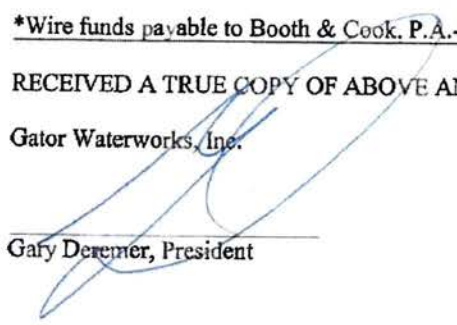
Purchase Price: \$82,500.00

PURCHASE PRICE DISBURSED UPON CLOSING (Purchase and Sale Agreement, Article 1.3; to be adjusted, if applicable, pursuant to terms and provisions of the PSA to determine the final purchase price): 80% of the difference between \$82,500.0 and the amounts paid to the FPSC and Alachua County and back taxes	\$82,500.00
20% withheld pending FPSC approval	(\$8,034.28)
Credit to Buyer for FPSC Past due RAFs plus penalties and interest	(\$22,403.19)
Credit to Buyer for FPSC current 2017 RAFs	(\$1,918.89)
Credit to Buyer for Penalties and interest - Annual Reports	(\$14,376.00)
Billed base facility charge, if any, assumed by Buyer	\$0.00
2017/2018 Florida Dept of Environmental Protection operating fees to be paid by Buyer P.O.C. if not previously paid by Seller	\$0.00
Record Bill of Sale	\$27.00
Record Special Warranty Deed	\$27.00
Documentary tax stamps on Deed	\$203.00
Taxes not prorated per agreement of parties	\$0.00
Tangible tax not prorated per agreement of parties	\$0.00
Title Insurance - waived by buyer	\$0.00
Survey - waived by buyer	\$0.00
Attorney fees to Booth & Cook, P.A.	\$750.00
Closing fees to Booth & Cook, P.A.	\$375.00
CASH DUE FROM BUYER TO CLOSE*	\$37,149.64

*Wire funds payable to Booth & Cook, P.A.-Trust Account

RECEIVED A TRUE COPY OF ABOVE AND HEREBY APPROVE AND CERTIFY IT CORRECT.

Gator Waterworks, Inc.



Gary Deremer, President

Prepared by/return to:

Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668
File #18-031

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that on the ____ day of _____, 2016, **KINCAID HILLS WATER COMPANY**, a dissolved Florida corporation ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **GATOR WATERWORKS, INC.**, a Florida corporation ("Purchaser"), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement between the parties, dated January 12, 2018 (the "Purchase Agreement"), hereby grant, sell, assign and convey to Purchaser all of Seller's right, title and interest in and to all of the personal property, both tangible and intangible, of the Assets, as such term is defined in the Purchase Agreement, including, but not limited to, the following:

1. All water supply, treatment, storage, distribution and transmission facilities, including, but not limited to, pumps, plants, wells, tanks, transmission mains, distribution mains, supply pipes, collection pipes or facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection with the Utility System, together with all additions or replacements thereto;
2. The following, but only to the extent that Seller's right, title or interest is transferrable: all certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, easements, and all rights to construct, maintain, and operate the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
3. All supplier lists, customer records, prints, plans, including plans in electronic or digital format, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
4. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias, or other reproducible materials in Seller's possession, including right of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form;
5. All rights of Seller under any Developer Agreements, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;
6. All rights and obligations of Seller under the Contracts and Leases, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;

Notwithstanding the foregoing, Seller does not hereby convey to Purchaser those certain Excluded Assets, as such term is defined and described in the Purchase Agreement.

Seller represents and warrants that it is providing all of its ownership interest in and to the above-referenced property and has removed or provided for the removal of all liens, security interests or encumbrances.

All capitalized terms utilized herein, and not otherwise defined herein, shall have the meanings ascribed thereto in the Purchase Agreement. The terms and conditions contained in the Purchase Agreement are incorporated herein by reference.

Seller makes no representation as to the condition of the Assets. Purchaser acknowledges that it is acquiring the Assets "as-is".

This instrument is given as a winding up of the affairs of the Seller.

IN WITNESS WHEREOF, this instrument shall be effective as of the date first above written.

SELLER:

Signed, sealed and delivered in the presence of:

KINCAID HILLS WATER COMPANY
A dissolved Florida corporation

Signature

TERRY D. WILKINS
Type/print name of witness

Berdell Knowles, President

Signature

VICTORIA W. WILKINS
Type/print name of witness

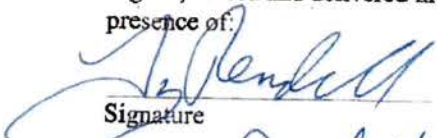
STATE OF FLORIDA
COUNTY OF DADE

The foregoing instrument was acknowledged before me this 20 day of February, 2018 by Berdell Knowles, as President of Kincaid Hills Water Company, a dissolved Florida corporation, on behalf of the dissolved corporation as a winding up of its affairs. He is personally known to me or has produced HORADADU, LLC as identification.

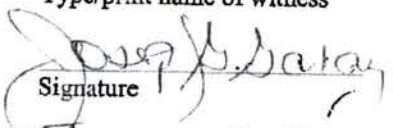
Notary Public



Signed, sealed and delivered in the presence of:


Signature

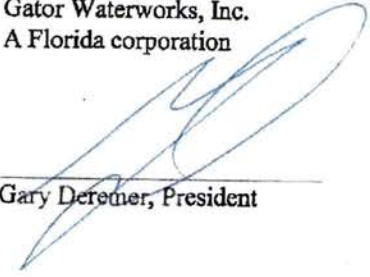
Troy Rendell
Type/print name of witness


Signature

Joseph P. Gabry
Type/print name of witness

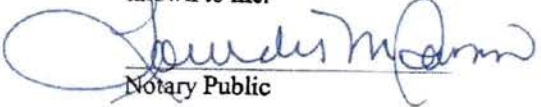
BUYER:

Gator Waterworks, Inc.
A Florida corporation


Gary Deremer, President

STATE OF FLORIDA
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 15 day of February, 2018 by Gary Deremer as President on behalf of said Gator Waterworks, Inc., a Florida corporation. He is personally known to me.


Notary Public

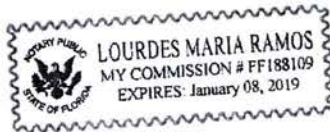


EXHIBIT Q
Rule 25-30.037(2)(v)

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

Below is a listing of other water and wastewater utilities regulated by the PSC by the majority shareholder of Gator Waterworks, Inc.

<u>Utility</u>	<u>Cerrificate No.</u>
Harbor Utility Company	522-W
Lakeside Utility Company	567-W & 494-S
LP Utility Company	620-W & 533-S
HC Utility Company	422-W & 359-S
Brevard Utility Company	002-W
Sunny Hills Utility Company	501-W & 435-S
Lake Osborne Utility Company	053-W
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S
Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W
Black Bear Waterworks, Inc.	654-W
Pine Harbour Waterworks, Inc.	450-W
Merritt Island Utility Company	137-S
Seminole Waterworks, Inc.	Grandfather Certificate Pending FPSC approval

North Charlotte Waterworks, Inc. Pending – Docket No. 160058-WS

The majority shareholder is also the majority shareholder of U.S. Water Services Corporaiton. The economies of scale exist by a sharing of administrative costs from U.S. Water Services Corporation through the operation, maintenance, customers service, and management contracts. These administrative costs include management of the utilities, accounting services, regulatory compliance, administrative, etc. These costs are spread or allocated over all the customers of the regulated utilities on an ERC basis. As more utilities are acquired and more customers are added, these costs are thereby reduced. This results in lower Contractual Service expenses for the newly acquired utilities. This economies of scale is achieved by directly lowering these administrative costs to the customers through the U.S. Water Services contract.

EXHIBIT R
Rule 25-30.030

Provide proof of noticing pursuant to Rule 25-30.030, FAC.

To be provided late-filed.