

**ROSE, SUNDSTROM & BENTLEY, LLP**

2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

(850) 877-6555  
Fax (850) 656-4029  
www.rsbatorneys.com

CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
F. MARSHALL DETERDING  
MARTIN S. FRIEDMAN, P.A.  
JOHN R. JENKINS, P.A.  
STEVEN T. MINDLIN, P.A.  
DAREN L. SHIPPY  
WILLIAM E. SUNDSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

ROBERT M. C. ROSE, *OF COUNSEL*  
WAYNE L. SCHIEFELBEIN, *OF COUNSEL*

CENTRAL FLORIDA OFFICE

650 S. NORTH LAKE BLVD., SUITE 420  
ALTAMONTE SPRINGS, FLORIDA 32701  
(407) 830-6331  
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

September 20, 2002

**Ms. Blanca Bayo  
Commission Clerk and Administrative Services Director  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399**

**Re: Docket No. 020746-WU; Application of Knight Water Utility, Inc., for Original  
Certificate  
Our File No.: 37026.01**

**Dear Ms. Bayo:**

In response to the Staff's August 16, 2002, letter requesting additional information in the above-referenced docket, the Utility provides the following information:

1. The Affidavit that Notices were provided to the individual property owners was filed on August 29, 2002, and was assigned Document #09136-02. The Affidavit that Notice was published as required by PSC Rules was filed on August 21, 2002, and assigned Document #08821-02.
2. The Utility has not yet entered into a long-term lease for continued use of the land upon which the plant facilities are located, however, it is currently negotiating such a lease and will file it with the Commission upon conclusion of the negotiations.
3. With regard to the establishment and documentation for the current rates and charges enclosed are Minutes of Meetings of the Board of Directors, the Tariff and Fee Schedule and a billing history for one of the customers.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

4. There are a total of 450 lots within the service area and there are currently 210 connections, all but three of which are 3/4 x 5/8 inch meters. Attached is a schedule of the customers.
5. The territory not currently being served consists of the remainder of Thornton Key, which includes approximately 150 more connections.
6. The legal description overlap with Bocilla Utilities, Inc., has been remedied by the filing of an Amended Legal Description on September 12, 2002, which was assigned Document #09672-02.
7. Enclosed are copies of Minutes of the Meetings wherein it was decided that the not-for-profit association did not want to continue to provide water and sewer service to its members indefinitely and to explore alternatives of transferring that responsibility to a provide Utility.
8.
  - (a) The Utility Charges no customer deposits.
  - (b) The Service Availability Charges are \$3,000 for water and \$3,000 for wastewater as reflected on the Minutes of the Board of Directors on October 9, 2000, a copy of which is enclosed.
  - (c) Enclosed is Revised Sheet No. 21.0 with the additional language.
  - (d) The new Utility has not yet created a customer bill but will file one upon the Commission's approval of this Application.
9. Utility Information:  
  
7092 Placida Road  
Cape Haze, FL 33949  
  
(941) 697-7207  
(941) 697-8541 (fax)

Ms. Blanca Bayo  
September 20, 2002  
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**Liaison Information:**

Dean Beckstead  
President  
(Same as Utility information)

Should the Staff have any additional questions, please do not hesitate to have them contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Martin S. Friedman", written in a cursive style.

MARTIN S. FRIEDMAN  
For the Firm

MSF:dmp  
Enclosures

cc: Mr. Dean L. Beckstead (w/o enclosures)

4/1/02

**KNIGHT ISLAND UTILITIES, INC.  
MEMBERSHIP LIST (BY UNIT)**

**PIV 1**

BAERWALDE, ROBERT & RHOND.	1724
BECKSTEAD, DEAN	1511
BRUCKER, PERRY DR.	1313
BUTLER, DAVID & JOYCE	1213
CARROZO, WILLIAM & GAY	1124
CLARBOUR, RALPH & MARY	1622
DOWING, FRANK & DELORES	1824
EDWARDS, STEVE & CAROL	1613
FRIES, LU A.	1211
HARRIS, GARY	1711
INSKO, HARRY & SALLY	1813
JAMES, RICHARD & JEANNIE	1713
LEVIN, FREDERICK & SANDRA	1411
LINDNER, RICHARD	1722
LORIMER, JAMES & BARBARA	1522
MARLER, JON & REBECCA	1513
MILLS, THOMAS & ALANE	1624
MYKRANTZ, JANE	1822
OSBORNE, STEVE & CHARLENE	1324
PLYMOUTH HOLDINGS, IN.C	1111
PRESCOTT, RICHARD	1424
RICHARD, EDWARD	1224
SCHLOSSER, GERALD & MARJOF	1113
SCHWARTZ, HAROLD & SUDIE	1422
SMITH, VANCE	1122
SPURLIN, MARK & TAMELA	1322
STEIER, ANTHONY & SANDRA	1311
STOREY, BOB	1413
THUROW, JOHN & AUDREY	1611
VETTER, JOAN	1811
WILLIAMSON, DOUGLAS	1222
YORK, WILLIAM	1524

**PIV II**

ALFRED, TED & CATHERINE	2811
ANDERSON, AUTHUR & JUDY	2224
BADCOCK, MICHELE	2613
BRIGGS, DEANE & JONYE	2622
ELLSWORTH, WILLIAM & CATHLE	2522
FALCK, BRIAN & CYNTHIA	2313
FARRIS, PHILLIP & BARBARA	2124
FITZGERALD, ROBERT & JANE	2422
FOX, WILLARD & NELL	2311
GLUCK, FREDERICK	2424
GREENE, WILLIAM & CHRISTINE	2813
HARGROVE, MARK & BARBARA	2822
HARRICK, JOE & BUNNY	2911
HAUSKE, THOMAS & ANITA	2611
HOCK, MARY	2011
HODGSON, JOHN	2922
JOHNSON, JOHN & CLAIRE	2322
KEMP, M.CLIFF & PATRICIA	2722
KUEBEL, RICHARD & LAUGHREN	2411
MCGOWEN, EUGENE & SUSAN	2213
MEAGHER, EDWARD & LILLIAN	2013
MINOR, JOHN & NANCY	2711
MITCHELL, WAYNE & DONNA	2724
MORALES, WALTER & EILEEN	2913
PATTERSON, MARY	2111
PERSONS, BRANTLEY	2024
PETROFSKY, STEPH & HANNAH	2513
PSB PROPERTIES, INC.	2624
PTACEK, GENE & MARY	2324
REIF, FRED & BARBARA	2222
SCHMEIZER, RICHARD & KATHY	2022
STRINGEF, GENE & CHRISTIE	2713
TOMPA, JOE & DIANE	2824
VANDERVEEN, GILBERT&LINDA	2113
VINCIGUERRA, LOUIS & ANNE	2524
WALL, JOHN & NANCY	2413
WEAVER, MELVIN & MARY	2211
WEBSTER, COLIN & SUSAN	2122
WETTLAUFER, EMILY	2511
YAVORSKY, BRAD & JULIE	2924

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BEACH  
VILLAS

BEACH  
VILLAS

ALLEN, LARRY & JACKIE 3514  
ANDERSON, BRUCE & SHANN 3624  
BADCOCK, MICHELLE E. 3421  
BAIRD, BRENT 3612  
BENOCK, GERALD & THERESA 3121  
BOERKE, DAVID 3113  
BRENNAN, COLLEEN 3622  
BROWN, STUART & MICHELLE 3213  
BUTLER, ROBERT & ANN 3212  
COSTELLO, DAN & SUSAN 3611  
DEAN, RONALD & LARRY 3422  
DINGMAN, RICHARD & CYNTHIA 3524  
DISHMAN, DAVID 3424  
DUFFUS, JAMES & ADA F. 3723  
DUPONT, LAMONT & CLAIRE 3224  
ELLSWORTH, SUZANNE 3621  
ELLSWORTH, WILLIAM & DORIS 3324  
FINK, RICHARD & DEANNE 3322  
FOSTER, JULIAN & TIERNEY 3321  
FRICKE, WILLIAM & CAROLYN 3521  
GASSERT, JACK & JEAN 3211  
GILLESPIE, EDWARD & MARY 3123  
GREER, ROBERT & JEAN 3523  
HAMANN, DAVID & SUZANNE 3323  
HAMANN, DAVID & SUZANNE 3122  
HAYDEN, DR. ALDEN & MARY 3223  
HILL, R. PATRICK & BRENDA 3411  
JIMENEZ, JERRI KAY 3712  
KAPLAN, RCHARD & ANNETTE 3114  
KENT, TERRY & SHARON 3711  
KLEIN, PETE & CAELAN 3412  
KUSHEN, MARILYN 3713  
LAPE, PHILLIP & ANN 3214  
LONG, PAUL & JANICE 3124  
MATTHEWS, JACK & LAURA 3722  
MCINTYRE, DUANE & DEBORAH 3423  
MORETTA, PAUL & MARJORY 3222  
MUNDEN, FORREST & WANDA 3312  
NARD, WALLACE & JOSETTE 3724  
PELOT, RICHARD & JANET 3313  
PERKINS, JANE 3613  
PRIESNITZ, MICHEAL 3512  
RENTON TRUST (B.HARRIS) 3721  
RIVERS, LESLIE 3413  
ROBB & STUCKEY 3112  
ROUM, CHARLES & CAROL 3221  
RUSSELL, JAMES & DOROTHY 3311

SETTINGTONTON, DOUG & LINDA 3522  
SIMPSON, PATRICIA 3511  
SONDERGELT, SUE 3414  
TORNQVIST, JANI/CHRISTENSEN 3314  
VOINOVICH, JANET 3111  
WEBER, RAMONA 3623  
WILLCOX, MARY 3714  
WOODWORTH, JACK & MARGARI 3614  
ZUBRIN, ROBERT & INEZ 3513

**SMALL LOTS 105,106,107,108  
BAY VILLAS BUILDING #50**

DAVIES, JEAN 5024  
DUNCAN, DAVID & NANCY 5011  
HART, DENNIS & ANDREA 5013  
WELTY, KENNETH & MARTHA 5022

**SMALL LOTS 109,110,111,112  
BAY VILLAS BUILDING #51**

CASWELL, LOIS & ORVILLE 5113  
MAURER, HARLAN & CLAUDIA 5111  
MASTERS, DAVID & ROSEMARY 5122  
SPADAFORA, JOSEPH & EILEEN 5124

**SMALL LOTS 113,114,115,116  
BAY VILLAS BUILDING #52**

	SMALL LOTS #		SFH UNITS #
BENDER, THOMAS	7,8,9	BELLOWS, TIMOTHY & ANNE	43
HOCK, DON & GLORIA	10,11,12	BERRETTINI, MORANDO & SONDI	49
RYAN, NANCY	1,2,3	BURGER, ROBERT & HELEN	45
WILEY, HENRY & SARAH	4,5,6	CONNEL, JAMES & CHRISTINE	46
		HASSENBERG, MARK & CAROL	39
		HASSENBERG, MARK & CAROL	40
		HOOPER, LIKDSAY & CANDICE	41
		MADION, CARL & DIANE	48
ADAMS, DR. CHARLES & MARG	20	NICOSIA, SANTO & LOUISE	51
ASLIN, MALCOLM & KATHY	15	ROBBINS, STEPHEN & LISA	52
BAKER, SUSAN	34	SLANE, ROBERT & SANDRA	50
BENNETT, JAMES & LEIGH	35	YANES, BASEL	44
BOLTZ, RAY & CAROL	19	ZINTL, WILLIAM & ANN	42
BORGES, JOHN & MARY	31		
BRICKLEMYER, KEITH & CAROLY	33		
DOERFLING, DANIEL & NANCY	26		
DOLLOFF, LAWRENCE & SUSAN	24		GFH UNIT #
EDWARDS, JAMES	13		
FULLGRAF, CHARLES & CHARLO	38		
HEBBLE, CHARLES & POLLY	29	AUER, DR. ARTHUR & MARIAN	62
JENNY, CATHERINE	14	BAKER, SUSAN	64
LITTLE GASPARILLA LIMITED	17	BYRNES, MARC & VIKKI	57
MAILLOUX, RICHARD & PAT	18	GRB FAMILY TRUST	60
MARTIN, ROBERT & MARY	23	GIFFORD, LINDA	53
MORRIS, STEPHEN & AMANDA	30	GREESON, ROGER & JOYCE	55
NEELY, JOHN & SUSAN	36	GUPTA, RAJAT & ANITA	65
RION, JOHN & BARBARA	37	IDE, RICHARD & NANETTE	61
ROBBINS, STUART & JOYCE	25	I.H.B.C.	68,69,70,71
SCHWARM, ARTHUR & KAREN	32	KUHNLEI, JEROME & COLLEEN	58
SOTO, AMANDO & JEAN	27	MATHEW, WARREN	54
WEAVER, SUSAN LYNN	22	MULLEN, MICHAEL & GAIL	56
WEIS, D. JAMES	16	NAZARRO, GEORGE	72
WRIGHT, WILLIAM & VICKI	28	PATIENCE, JOHN & DIANE	66
ZAINULBHAI, ADIL&MAKDUDA	21	PHILLIP, SUSAN	59
		WALTHER, DAVID & SALLY	63
	BAYSIDE TWIN#		RUM COVE #
ANGLE, MONICA	90/00		
BECKSTEAD/FITZSIMMONS	87/88	BECKSTEAD, DEAN	7
BEDNARZ, EDWARD & JEWELL	77/78	BECKSTEAD, DEAN	6
CHARLOTTE HARBOR PARTNER	91/92	GUPTA, RAJAT	8
I.H.B.C.	105-116	GUPTA, RAJAT	9
LIGHTFOOT, JOHN	83/84	JACOBSON, JEFFERY & SYLVIA	2
MORRISON, JOHN & LESLIE	79/80	KONSTANT, PAUL & DONNA	3
NANGLE, RICHARD & SUSAN	75/76	KUEBEL, RICHARD & LAUGHREN	4
NEESER, DENNIS & RUTHANNE	85/86	ROBBINS, STUART & JOYCE	5
SCHMITZ, ROBERT	81/82	SLANE, ROBERT & SANDRA	10
STEVENS, MORGAN & ALLISON	73/74	SLANE, ROBERT & SANDRA	11
STRAND, RICHARD & MARY	89/00	USEPPA INN & DOCK	1

	SEASIDE UNIT #		UNITS
AVILLA, JOE/SEELBACH, WM.	6	SOUTHBAY	
BECKSTEAD TRUST	28	(88 UNITS) I.H.B.C.	88
BECKSTEAD, GARFIELD & SANAE	33		
CHARLOTTE HARBOR PARTNER	32		
CHARLOTTE HARBOR PARTNER	34	GULF COTTAGES	
EARLE, GLEN	8	918 UNITS) I.H.B.C.	18
FLYNN, GERALD & MAUREEN	26		
GAMBLE, MILLARD & JONE	1		
GEHERIN, MARK & JENNIFER	24	PIR CLUBHOUSE I.H.B.C.	1
GRB FAMILY TRUST	35		
HAYES, ROBERT & SUE	4		
HAUSKE, THOMAS & ANITA	10	RUM BAY RESTAURANT I.H.B.C.	1
HEALEY, SEAN & KERRY	5		
HIPPENMEYER, PHYLLIS	25		
I.H.B.C.	16		
I.H.B.C.	17		
I.H.B.C.	19	TOTAL VOTES	356
I.H.B.C.	21		
I.H.B.C.	29		
I.H.B.C.	30		
CANNON, TERRY A.	20		
JOHENGEN, W. ALLAN	27		
JONASSEN, WILLIAM	31		
MEHRA, SANJEEV	9		
MONTAG, D. & FERNANDEZ, A.	35		
REARDON, ROBERT & LISA	15		
ROBERT/HILL	22		
ROBERT/HILL	23		
SEAR, TIMOTHY	11		
SEASIDE SEVEN, LLC, J. RYAN	7		
VALENTE, LOUIS	18		
WEIFFENBACH, CARL&MARY A	13		
WEIFFENBACH, CARL&MARY A	14		
WELHAM, BRIAN	3		

# CUSTOMER HISTORY (COMPLETE)

Account # 01511    Name: Beckstead Dean    Location ID: 37    Balance: \$ 389.41

Date	Code	Description	Previous	Present	Used	Charge	Payment	Balance
8/10/00	BFWD	Added as a single charge				\$ 87.50		\$ 87.50
8/16/00	BFWD	Check 244					\$ 87.50	\$ 0.00
8/23/00	WATER	WATER	330,280	338,520	8,240	\$ 73.41		\$ 73.41
8/23/00	SEWER	SEWER				\$ 20.96		\$ 94.37
9/22/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 110.52
9/22/00	SEWER	SEWER				\$ 20.96		\$ 131.48
9/22/00	WATER	WATER	338,520	346,470	7,950	\$ 34.00		\$ 165.48
9/22/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 188.74
10/6/00	CMSWR	Check 324					\$ 16.15	\$ 172.59
10/6/00	CMWTR	Check 324					\$ 23.26	\$ 149.33
10/6/00	SEWER	Check 324					\$ 41.92	\$ 107.41
10/6/00	WATER	Check 324					\$ 107.41	\$ 0.00
10/20/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 23.26
10/20/00	SEWER	SEWER				\$ 18.34		\$ 41.60
10/20/00	WATER	WATER	346,470	353,910	7,440	\$ 29.75		\$ 71.35
10/20/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 87.50
11/17/00	SEWER	SEWER				\$ 15.72		\$ 103.22
11/17/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 119.37
11/17/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 142.63
11/17/00	WATER	WATER	353,910	360,350	6,440	\$ 25.50		\$ 168.13
12/19/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 184.28
12/19/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 207.54
12/19/00	SEWER	SEWER				\$ 18.34		\$ 225.88
12/19/00	WATER	WATER	360,350	367,740	7,390	\$ 29.75		\$ 255.63
1/11/01	CMWTR	Check 377					\$ 69.78	\$ 185.85
1/11/01	WATER	Check 377					\$ 85.00	\$ 100.85
1/11/01	SEWER	Check 377					\$ 52.40	\$ 48.45
1/11/01	CMSWR	Check 377					\$ 48.45	\$ 0.00
1/19/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 23.26
1/19/01	SEWER	SEWER				\$ 15.72		\$ 38.98
1/19/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 55.13
1/19/01	WATER	WATER	367,740	373,510	5,770	\$ 25.50		\$ 80.63
2/19/01	WATER	WATER	373,510	379,600	6,090	\$ 25.50		\$ 106.13
2/19/01	SEWER	SEWER				\$ 15.72		\$ 121.85
2/19/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 138.00
2/19/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 161.26
3/16/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 177.41
3/16/01	SEWER	SEWER				\$ 15.72		\$ 193.13
3/16/01	WATER	WATER	379,600	385,760	6,160	\$ 25.50		\$ 218.63
3/16/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 241.89
4/19/01	SEWER	SEWER				\$ 20.96		\$ 262.85
4/19/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 286.11
4/19/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 302.26
4/19/01	WATER	WATER	385,760	393,690	7,930	\$ 34.00		\$ 336.26
5/22/01	SEWER	SEWER				\$ 13.10		\$ 349.36
5/22/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 365.51
5/22/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 388.77
5/22/01	WATER	WATER	393,690	398,940	5,250	\$ 21.25		\$ 410.02
6/4/01	WATER	Check 154					\$ 51.00	\$ 359.02
6/4/01	SEWER	Check 154					\$ 31.44	\$ 327.58
6/4/01	CMSWR	Check 154					\$ 32.30	\$ 295.28
6/4/01	CMWTR	Check 154					\$ 46.52	\$ 248.76
6/20/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 272.02
6/20/01	WATER	WATER	398,940	403,960	5,020	\$ 21.25		\$ 293.27
6/20/01	SEWER	SEWER				\$ 13.10		\$ 306.37
6/20/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 322.52
7/19/01	WATER	WATER	403,960	409,070	5,110	\$ 21.25		\$ 343.77
7/19/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 359.92
7/19/01	SEWER	SEWER				\$ 13.10		\$ 373.02



# CUSTOMER HISTORY (COMPLETE)

Account # 01511    Name: Beckstead Dean    Location ID: 37    Balance: \$ 389.41

Date	Code	Description	Previous	Present	Used	Charge	Payment	Balance
7/19/01		CMWTR COMMODITY WATER				\$ 23.26		\$ 396.28
8/17/01		WATER WATER	409,070	414,950	5,880	\$ 25.50		\$ 421.78
8/17/01		SEWER SEWER				\$ 15.72		\$ 437.50
8/17/01		CMSWR COMMODITY SEWER				\$ 16.15		\$ 453.65
8/17/01		CMWTR COMMODITY WATER				\$ 23.26		\$ 476.91
8/28/01		WATER Check CK 219					\$ 102.00	\$ 374.91
8/28/01		SEWER Check CK 219					\$ 62.88	\$ 312.03
8/28/01		CMWTR Check CK 219					\$ 93.04	\$ 218.99
8/28/01		CMSWR Check CK 219					\$ 64.60	\$ 154.39
9/20/01		CMWTR COMMODITY WATER				\$ 23.26		\$ 177.65
9/20/01		SEWER SEWER				\$ 15.72		\$ 193.37
9/20/01		CMSWR COMMODITY SEWER				\$ 16.15		\$ 209.52
9/20/01		WATER WATER	414,950	420,740	5,790	\$ 25.50		\$ 235.02
10/24/01		SEWER SEWER				\$ 13.10		\$ 248.12
10/24/01		CMSWR COMMODITY SEWER				\$ 16.15		\$ 264.27
10/24/01		CMWTR COMMODITY WATER				\$ 23.26		\$ 287.53
10/24/01		WATER WATER	420,740	426,010	5,270	\$ 21.25		\$ 308.78
10/29/01		CMSWR Check 255					\$ 32.30	\$ 276.48
10/29/01		WATER Check 255					\$ 46.75	\$ 229.73
10/29/01		CMWTR Check 255					\$ 46.52	\$ 183.21
10/29/01		SEWER Check 255					\$ 28.82	\$ 154.39
11/19/01		CMWTR COMMODITY WATER				\$ 23.26		\$ 177.65
11/19/01		WATER WATER	426,010	429,660	3,650	\$ 17.00		\$ 194.65
11/19/01		CMSWR COMMODITY SEWER				\$ 16.15		\$ 210.80
11/19/01		SEWER SEWER				\$ 10.48		\$ 221.28
12/19/01		CMSWR COMMODITY SEWER				\$ 16.15		\$ 237.43
12/19/01		CMWTR COMMODITY WATER				\$ 23.26		\$ 260.69
12/19/01		WATER WATER	429,660	434,620	4,960	\$ 21.25		\$ 281.94
12/19/01		SEWER SEWER				\$ 13.10		\$ 295.04
1/18/02		WATER Check 307					\$ 63.75	\$ 231.29
1/18/02		SEWER Check 307					\$ 39.30	\$ 191.99
1/18/02		CMSWR Check 307					\$ 48.45	\$ 143.54
1/18/02		CMWTR Check 307					\$ 69.78	\$ 73.76
1/23/02		SEWER SEWER				\$ 13.10		\$ 86.86
1/23/02		CMWTR COMMODITY WATER				\$ 23.26		\$ 110.12
1/23/02		CMSWR COMMODITY SEWER				\$ 16.15		\$ 126.27
1/23/02		WATER WATER	434,620	439,890	5,270	\$ 21.25		\$ 147.52
2/21/02		CMSWR COMMODITY SEWER				\$ 16.15		\$ 163.67
2/21/02		CMWTR COMMODITY WATER				\$ 23.26		\$ 186.93
2/21/02		WATER WATER	439,890	444,980	5,090	\$ 21.25		\$ 208.18
2/21/02		SEWER SEWER				\$ 13.10		\$ 221.28
3/20/02		CMWTR COMMODITY WATER				\$ 23.26		\$ 244.54
3/20/02		CMSWR COMMODITY SEWER				\$ 16.15		\$ 260.69
3/20/02		WATER WATER	444,980	450,160	5,180	\$ 21.25		\$ 281.94
3/20/02		SEWER SEWER				\$ 13.10		\$ 295.04
4/17/02		CMWTR COMMODITY WATER				\$ 23.26		\$ 318.30
4/17/02		WATER WATER	450,160	457,890	7,730	\$ 34.00		\$ 352.30
4/17/02		SEWER SEWER				\$ 20.96		\$ 373.26
4/17/02		CMSWR COMMODITY SEWER				\$ 16.15		\$ 389.41

MINUTES OF ANNUAL MEMBERSHIP MEETING  
OF  
KNIGHT ISLAND UTILITIES, INC.

The meeting was called to order at 8:15AM on August 30, 1997 by the President, Dean Beckstead, who stated a quorum was present. There were 197 members present either in person or by proxy. Also present representing management of the Utility were Ron Dubin and Wayne Griffin. Those members present were:

William Jonassen - Unit # 3713 & # 3714  
Richard & Jeannie James - Unit # 1713  
Gene & Mary Jane Ptacek - Unit # 2324

The President read the minutes from the last annual meeting. A motion was made to accept the minutes by Gene Ptacek and seconded by Richard James. A general discussion was held about the general operation of the utility company followed by a short question and answer period.

The next agenda item was the election of the new Board of Directors. Nominations from the floor were requested, there were none. The current Board members consisting of Dean Beckstead, Robert Pierce and William Jonassen were elected unanimously for one year terms.

The next agenda item was the review of the financial statements. Ron Dubin reviewed the year ending financial statement in detail followed by a question and answer period. The member capital account currently has a positive balance of \$65.52 per member. A motion to approve the financial statements was made by William Jonassen and seconded by Dean Beckstead.

The next agenda item was a discussion of the proposed 1997 budget, followed by a review of the Utility rate schedule. The major change in this year's budget was the implementation of Reserves for capital expenditures for the water plant. This provision for Reserves for future replacement of the water tank liner and water plant R/O filters necessitates a need to increase water fees for the first time in four years. Instead of increasing the per gallonage rates, the Board and members present voted to increase the base rate from \$35.95 to \$39.41 per month, to cover these new reserves. This increase will be reflected in your August billing. It was also noted that Knight Island Utilities rates for water and sewer service are still lower than most local water and sewer utility companies in Charlotte County. A copy of the comparison is enclosed. A motion to approve the 1997 Bill Jonassen and seconded by Gene Ptacek.

An in-depth discussion was had concerning the need to replace the liner in the water tank. It has been leaking for some time and the current repair is very temporary. We have received several quotes and are waiting for a few more. the estimated cost is \$25,000 - \$30,000.

There being no further business, a motion to adjourn was made by Gene Ptacek and seconded by Richard James at 9:15AM.

BOARD OF DIRECTORS MEETING  
OF  
KNIGHT ISLAND UTILITIES, INC.

The Board of Directors meeting was called to order at 9:17AM.  
The first order of business was the election of officers. The  
officers elected by unanimous vote were:

PRESIDENT: DEAN BECKSTEAD

VICE PRESIDENT/SECRETARY: ROBERT PIERCE

TREASURER: WILLIAM JONASSEN

The Board empowered Dean Beckstead to sign loan documents on  
behalf of the utility company to install a new liner in the water  
tank. Motion by William Jonassen, seconded by Dean Beckstead  
(Jonassen also made a motion that Mr. Beckstead sign contract  
with the liner company. Seconded by Beckstead.)

There being no further business, a motion to adjourn was made by  
William Jonassen and seconded by Dean Beckstead. The meeting was  
adjourned at 9:22AM.

**BOARD OF DIRECTORS MEETING OF KNIGHT ISLAND UTILITIES  
OCTOBER 9<sup>TH</sup>, 2000**

The Board of Directors meeting was called to order at 10:00 am. The first order of business was the election of officers. The officers elected by unanimous vote:

President:	Dean L. Beckstead
Vice President, Secretary:	Robert Pierce
Treasurer:	William Jonassen

The discussion was held regarding the adequacy of the connection fees to expand the water and sewer systems in the future. Upon motion by William Jonassen, seconded by Robert Pierce it was unanimously agreed to increase the connection fees for water to \$3,000 per connection and sewer to \$3,000 per connection effective immediately.

A discussion was held regarding the possible transfer of the service area to a registered public utility. Upon motion by Robert Pierce, seconded by William Jonassen it was reaffirmed that the resolution passed on the 30<sup>th</sup> day of September 1999 continues to be the will of the board. There being no further business the meeting was adjourned at 10:00 am.

## **KNIGHT ISLAND UTILITIES TARIFF & FEE SCHEDULE**

COMMODITY SEWER - \$16.15

COMMODITY WATER - \$23.26

SEWER USE - \$2.62 PER M GALLON

WATER USE - \$4.25 PER M GALLON UP TO 10,000 GALLONS  
\$6.37 PER M GALLON OVER 10,000 GALLONS

CONNECTION FEES WATER - \$3,000

CONNECTION FEES SEWER - \$3,000

KNIGHT ISLAND UTILITIES, INC.  
7092 PLACIDA ROAD  
CAPE HAZE, FL 33946

ANNUAL MEETING  
AUGUST 15, 2002

Meeting was called to order by President Dean Beckstead at 9:00a.m. Present were Dean Beckstead, Wayne Griffin, Mike McFarland with Bill Jonassen, Ron Harris and Bob Pierce attending via conference call. A quorum was established with proxies and members present.

**MINUTES** from the September 18, 2001 meeting were presented with a motion to accept and approved by Bill Jonassen seconded by Bob Pierce.

**ELECTION OF DIRECTORS:** Nominated were Dean Beckstead, William Jonassen, and Robert Pierce. There being no further nominations, nominations were closed and the nominees were approved unanimously.

**OLD BUSINESS:** Dean Beckstead reported on his discussions with other utilities regarding possible takeover of the Knight Island Utilities franchise area. At this time no other utility has stepped forward to be considered per our previous resolutions.

**FINANCIAL STATEMENT** was reviewed. The cash surplus, including depreciation, was \$36,000 actual versus a budget of \$45,000. The greatest increases in expenses were identified in Utilities, Repairs & Maintenance and Taxes/Licenses. A motion was made by Robert Pierce and seconded by William Jonassen to approve the financial statement. Vote was unanimous.

**NEW BUSINESS:** A discussion was held regarding capacities of both the sewer and water plants. It was noted that there is a growing public health concern and possible legislative move against the dispersion of sludge on open land that could impact dramatically our sewer rates. It was also noted that our utility and its President were charged by DEP earlier this year as illegally spreading sludge, which could have resulted in substantial fines. After investigation and discussion these charges were dropped, as it was the sludge hauler who was at fault. It is noted that these type of environmental concerns continue to escalate both for the water and sewer operations.

In the short term our sewer capacity is adequate. In the long term the sewage operations will need expanded. In the short term our water capacity is not adequate during periods of peak occupancy. Plans were discussed to increase water storage capacity by approximately 100,000 gallons over the next 3-5 months as the only short term method of helping this problem. The alternative would be plant expansion, which would require 24 months and over \$400,000 investment. A motion by William Jonassen and seconded by Robert Pierce was made authorizing the President to proceed with the Lessor to address increasing storage capacity by constructing a second storage tank, modify the existing lease to cover the cost of this expansion and if necessary to raise the water rates to accommodate the additional lease costs. The vote was unanimous.

The Board discussed at length the proposed termination of lease agreement as presented by the President. In accordance with previous resolutions and in the long term interests of the members of Knight Island Utilities, a motion was made by William Jonassen and seconded by Robert Pierce to authorize the President to sign the termination of lease subject to the following conditions being added to the agreement:

1. The new utility company(s) receive Public Service Commission approval for service areas.
2. Board of Directors of Knight Island Utility Inc. approve:
  - (1) The sale of the backhoe and any other major assets to the new utilities.
  - (2) The Distribution of reserve funds between Lessor and Lessee as determined by analysis of useful life remaining.
  - (3) Any major repairs to bring system to First Class condition prior to turnover as requested by Lessor.
  - (4) Dissolution plan for the corporation to be prepared by the President.
3. Removal of Paragraph 10 of the current proposed termination agreement and add a paragraph requiring Lessor and Lessee to jointly agree that the Utility is in First Class condition and agree to release each other of any liability before the closing of the transaction.

There being no further business a motion was made to adjourn by Robert Pierce and seconded by William Jonassen at 9:38a.m.



**Knight Island Utilities, Inc.  
7092 Placida Rd.  
Cape Haze, FL 33946  
Board of Directors Meeting  
August 15, 2002**

The Board of Directors meeting was called to order at 9:45 a.m. The first order of business was the election of officers. By unanimous vote, the officers elected were:

President: Dean Beckstead

Vice President/Secretary Robert Pierce

Treasurer: William Jonassen

There was no further business to discuss and the meeting was adjourned at 9:50 a.m.