



Public Service Commission

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

DATE: July 12, 1991
TO: Division of Records and Reporting
FROM: Division of Water and Sewer (Gilchrist) *W*
RE: ~~Docket No. 910118-WU~~ Application For Transfer of Aqua Pure Water Company
in Marion County to A.P. Utilities, Inc.

Attached please find the following correspondence to be placed in the above docket file:

1. Affidavit dated July 9, 1991 from Michael Blake to Staff.
2. Letter dated July 9, 1991 from Philip Woods to Staff.

Five extra copies are attached for the Commissioners' files.

**ORIGINAL
FILE COPY**

ACK _____
AFA _____
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DOCUMENT NUMBER-DATE

07164 JUL 15 1991

1-SC-RECORDS/REPORTING

A F F I D A V I T

STATE OF FLORIDA
COUNTY OF MARION

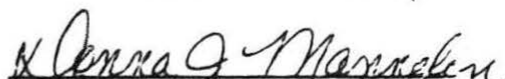
Before me, personally came and appeared, MICHAEL D. BLAKE, who being by me personally sworn upon his oath says that:

1. That your affiant is Michael D. Blake and he has personal knowledge of the information herein contained.
2. That your affiant is the same Michael D. Blake as described as the Grantee under that certain Warranty Deed recorded in Official Records Book 1473, Page 502 of the Public Records of Marion County, Florida wherein Betty T. Nealing is the Grantor and the property therein conveyed is Lot 8, Block C, Peppertree Village as per plat thereof recorded in Plat Book V, Pages 66 and 67 of the Public Records of Marion County, Florida.
3. That located upon the property described in the preceding paragraph is a water distribution and treatment plant site.
4. That at all times material hereto, Michael D. Blake was the sole proprietor of Aqua Pure Water Company and that he timely complied with all applicable Fictitious Names Laws, rules and regulations.
5. That at all times material hereto, Michael D. Blake, doing business as and the sole proprietor of Aqua Pure Water Company operated a water distribution site plant from the above described real property.

FURTHER AFFIANT SAYETH NAUGHT.


MICHAEL D. BLAKE

Sworn to and subscribed before me this 9th day of July, 1991.


Notary Public
State of Florida at Large

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAR. 3, 1994
BONDED THRU GENERAL INS. UND.

A.P. UTILITIES, INC.
1705 S.E. FORT KING STREET
OCALA, FLORIDA 32671
(904) 867-8334

July 9, 1991

Steve Tribble
Division of Records and Reporting
Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32671

Re: Additional Information requested For Dockets 910115, 910116,
910117, 910118, and 910119.

Dear Mr. Tribble,

Attached to this letter is the additional information as requested in
our meeting on June 17, 1991.

Dockets 910115 & 910116-WU

1 & 2. This information was sent in earlier submittal.

Dockets 910117 & 910118-WU

1. Attached is the financial statement and projections as prepared
prior to purchased of the company The report was revised to
reflect 6 months of operational information.

2. Attached is a copy of the affidavit concerning the CD's.

3. There is no original cost studies to be found. Several years
ago A.P. Utilities bought this system from North Central Florida
Utilities. There was no cost studies found then and Red Goodwin
prepared one for the Department.

4. The cost of the well sites were sent in earlier submittal.

5. Attached is a copy of the Agreement showing that the sale is
not final until the P.S.C. as approved the sale.

7/9/91

Additional Info

DOCKET 910119-WU

1. The price different between Mr. Blake's quotes and mine is the break down of the sale price. I put the cash portion of the sale into the systems that will return the money. Mr. Blake split it up between the projects.
2. The lease agreement was attached to an earlier submittal.
3. Comment Only
4. Attached is the financial statement and projections as prepared prior to the purchased of the company The report was revised to reflect 6 months of operational information.
5. The comment and operator experience was supplied at the meeting.
6. Attached is a copy of the Agreement showing that the sale is not final until the P.S.C. has approved the sale.
7. Mr. Blake has been given a copy of this comment concerning the refund situation. He told me that he will contact the Commission concerning this matter.

If you have any additional questions or need any additional information please do not hesitate to contact this office.

Sincerely,



Philip Woods
A.P. Utilities, Inc.

PROJECTED SALES FOR 1991
(WATER SALES ONLY)

SYSTEM	1989 CONNECTIONS	1989 SALES	1990 CONNECTIONS	1990 SALES	JAN. THRU CONNECTIONS	JUNE 15, 1991 SALES
QUAIL RUN	33	\$4,978.00	40	\$6,033.94	48	\$2,641.00
PEPPERTREE	124	\$28,873.00	126	\$29,338.69	133	\$12,813.56
RAVIN HILL	650	\$127,001.00	722	\$141,068.80	717	\$61,317.05
	807	\$160,852.00	888	\$176,441.43	898	\$76,771.61
	MONTHLY AVE	\$13,404.33	MONTHLY AVE	\$14,703.45	MONTHLY AVE	\$12,795.27

COLLECTIONS FOR 1991

JANUARY	\$15,527.01
FEBRUARY	\$13,027.47
MARCH	\$15,004.24
APRIL	\$13,515.07
MAY	\$13,556.56
JUNE	\$12,162.71
	\$82,793.06

PROJECTIONS FOR NEXT 6 YEARS

YEAR	PROJECTED COST	PROJECTED BILLING
1991	\$193,000.00	\$195,000.00
1992	\$200,000.00	\$212,550.00
1993	\$210,000.00	\$231,679.50
1994	\$220,000.00	\$243,263.48
1995	\$230,000.00	\$254,210.33
1996	\$190,000.00	\$264,378.74

PROJECTED COST FOR 1991

ITEM	SYSTEM	1988 COST	1989 COST	1991 COST	THRU JUNE 15, 1991 COST
TAXES	QUAIL RUN		\$271.00	\$311.65	
	PEPPERTREE	\$858.00	\$199.00	\$228.85	
	RAVIN HILL	\$645.00	\$210.00	\$241.50	\$3,205.44
	REGULATORY	\$2,503.00	\$4,245.00	\$6,514.60	\$8,348.43
LAB TESTING	TOTAL SYSTEM	\$920.00	\$1,810.00	\$3,600.00	\$1,870.00
POWER	QUAIL RUN		\$900.00	\$990.00	
	PEPPERTREE	\$414.00	\$1,378.00	\$1,515.80	
	RAVIN HILL	\$6,886.00	\$10,122.00	\$11,134.20	\$5,657.00
CHEMICALS	QUAIL RUN		\$41.00	\$45.10	
	PEPPERTREE	\$200.00	\$242.00	\$266.20	
	RAVIN HILL	\$586.00	\$1,216.00	\$1,337.60	\$453.10
REPAIRS	QUAIL RUN		\$236.00	\$250.00	
	PEPPERTREE		\$4,691.00	\$5,000.00	
	RAVIN HILL	\$11,317.00	\$18,166.00	\$12,000.00	\$5,566.63
RENT	OFFICE	\$185.00	\$3,474.00	\$6,600.00	\$2,915.00
TRANSPORTATION	INSURANCE	\$143.00		\$600.00	
	TRUCK			\$2,796.00	
	GAS		\$1,364.00	\$5,000.00	\$2,071.60
OFFICE SUPPLIES		\$9,854.00	\$9,925.00	\$6,000.00	\$5,488.75
SALARIES				\$15,000.00	\$7,744.72
LOAN PAYMENTS	RAVEN HILL FIRST UNION	(STAFFORD)		\$46,201.08 \$54,000.00	\$52,318.81
SYSTEM INSURANCE		\$1,300.00	\$2,488.00	\$3,000.00	
HEALTH INSURANCE				\$3,084.00	\$1,329.26
				\$185,716.58	\$96,968.74

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of November, 1990, by and between MICHAEL D. BLAKE, as the sole shareholder of A.P. UTILITIES, INC., a Florida corporation, and as sole proprietor of AQUA PURE WATER COMPANY, hereinafter sometimes referred to as "Seller", and PHILIP D. WOODS, hereinafter sometimes referred to as "Buyer".

For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency whereof is hereby acknowledged, the parties agree as follows:

1. The Seller is the sole owner of all One Thousand (1,000) shares of common stock issued by A.P. UTILITIES, INC., a Florida corporation, which has its principal place of business in Marion County, Florida. The Seller is also the sole owner of AQUA PURE WATER COMPANY, a sole proprietorship, also with its principal place of business located in Marion County, Florida.

2. The Seller shall sell to the Buyer and the Buyer shall purchase from the Seller all of the Seller's common stock in A.P. UTILITIES, INC., for the total purchase price of \$516,687.41, which shall be paid as follows:

A. \$50,000.00 payable simultaneously herewith the execution hereof, the receipt and sufficiency whereof is hereby acknowledged.

B. Assumption of that certain Promissory Note and Mortgage in favor of North Center Florida Utilities, Inc. dated May

6, 1988, and recorded in Official Records Book 1500, Pages 981 through 983 of the public records of Marion County, Florida, which had an original principal balance of \$267,000.00, and is payable in monthly installments of \$2,576.61, and which has a present outstanding principal balance of \$255,072.15.

C. Assumption of that certain Promissory Note and Mortgage from A.P. UTILITIES, INC. to RICHARD L. STAFFORD, as Trustee for MACO DEVELOPMENTS, INC., Defined Benefit Pension Plan, and dated May 6, 1988, and recorded in Official Records Book 1500, Pages 986 through 988 of the public records of Marion County, Florida, which had an original principal balance of \$133,000.00, and is payable in monthly installments of \$1,283.48, which has a present outstanding principal balance of \$127,058.89.

D. Pay off of that certain Promissory Note and Mortgage in favor of BARNETT BANK OF MARION COUNTY, N.A., and dated December 11, 1985, and recorded in Official Records Book 1319, Pages 2013 and assumed by MICHAEL D. BLAKE, individually, pursuant to that certain Assumption Agreement recorded in Official Records Book 1500, Page 1789 of the public records of Marion County, Florida, which has an outstanding principal balance of \$54,010.37.

E. Reimbursement to the Seller of miscellaneous service adjustments and customer deposits in the amount of \$8,537.00.

F. Execution and delivery of a Promissory Note from the Buyer to the Seller in the amount of \$22,000.00, which shall accrue interest at the rate of 12% per annum and be payable in regular

monthly installments of \$315.64, which includes interest at the rate aforesaid, with the first payment to be due and payable on the 1st day of January, 1991, with a like payment to be made on the same day of each and every month thereafter until paid in full. This Promissory Note shall be secured by a Security Agreement and Mortgage encumbering the common stock to be conveyed hereby and all assets of A.P. UTILITIES, INC. and the same shall provide that the Buyer shall not transfer, further encumber, sell, lease, exchange the common stock or any assets of A.P. UTILITIES, INC. without the prior express written approval of the Seller. Violation of this provision shall enable the Seller to accelerate the balance due under the Promissory Note and Security Agreement and Mortgage and to commence all legal and equitable remedies to collect the debt.

3. The Seller, MICHAEL D. BLAKE, as sole owner and sole proprietor of AQUA PURE WATER COMPANY, shall sell to the Buyer and the Buyer shall purchase from the Seller all of the assets owned by AQUA PURE WATER COMPANY, including the utility systems in the subdivisions known as EVERGREEN, INDIAN TRAILS, PEPPERTREE, SOUTH Ocala INDUSTRIAL PARK and QUAIL RUN, all located in Marion County, Florida. The total purchase price for these assets shall be \$153,257.00, which shall be payable as follows:

A. Execution and delivery of a Promissory Note from the Buyer to the Seller in the amount of \$17,125.00, which shall accrue interest at the rate of 11% per annum and be payable in monthly installments of \$302.99, including interest at the rate aforesaid,

with the first payment to be due and payable on the 15th day of January, 1990, with a like payment to be due on the same day of each and every month thereafter until paid in full.

B. Pay off of that certain Mortgage in favor of BARNETT BANK OF MARION COUNTY, N.A. as recorded in Official Records Book _____, Page _____ of the public records of Marion County, Florida, which has a present principal balance of \$101,049.65.

C. Assumption of that certain Promissory Note and Mortgage in favor of BETTY T. NEILING dated December 9, 1987, and recorded in Official Records Book 1473, Page 500 of the public records of Marion County, Florida, which has an original principal balance of \$30,000.00, which has a present outstanding principal balance of \$28,607.00, and which will commence to be amortized on December 29, 1990, at the rate of \$300.00 per month.

D. Assumption or pay off of that certain loan in favor of KENNETH L. WIECHENS, as Trustee, with regard to the SOUTH OCALA INDUSTRIAL COMPLEX located in Ocala, Marion County, Florida, which has a present outstanding principal balance of \$2,250.00.

E. Assumption or pay off of that certain Promissory Note in favor of J & B WATER CO. OF OCALA, INC. in the amount of \$2,750.00.

F. Assumption or pay off of that certain loan in favor of BELLEVIEW UNDERGROUND in the amount of \$625.00.

G. Reimbursement to the Seller or adjustment of customer deposits in the amount of \$1,940.00.

4. Closing of this transaction shall take place on or before the 31st day of December, 1991, and this Agreement is specifically contingent upon approval by the FLORIDA PUBLIC SERVICE COMMISSION.

5. The Seller may allow the Buyer to take possession of the utility systems operated by AQUA PURE WATER COMPANY and the assets of A.P. UTILITIES, INC. pending the approval of the PUBLIC SERVICE COMMISSION, so long as the same shall not violate any state, federal, county or municipal law, rule or regulation. The Buyer shall continue to operate all utility systems in conformity with all applicable laws, rules and regulations and the Buyer shall hold the Seller harmless from any liability or damage arising during the time the Buyer may be in possession of, or operating, the utilities or its assets.

6. The Seller warrants that he is the lawful owner of the above common stock and the assets of AQUA PURE WATER COMPANY and that he has the lawful right to enter into this Agreement and to sell the same subject to the Buyer's assumption or pay off and liquidation of the debts enumerated in the paragraphs above set forth.

7. The Seller shall be responsible and shall hold the Buyer harmless from any fines, penalties or causes of action accruing prior to the 1st day of November, 1990.

8. Included in the assets conveyed hereby, are those items described on the attached Exhibit "A",

9. It is understood that EUGENE A. WIECHENS has represented only the Seller in the drafting of this Agreement and has given the Buyer no advice whatsoever or any interpretation of any of the provisions hereof or the meaning hereof and by execution hereof, the Buyer acknowledges that he has the right to have an attorney of his independent selection to review this document before the Buyer executes it.

10. The Buyer shall promptly apply to the FLORIDA PUBLIC SERVICE COMMISSION for approval for transfer of the assets and utility systems hereinabove described, and the Buyer shall diligently endeavor to procure this approval. The Seller shall assist the Buyer in this regard by providing such documents and information as may be in possession of the Seller and that may facilitate the application and approval process.

11. Should the FLORIDA PUBLIC SERVICE COMMISSION fail to approve the transfers contemplated hereby, then and in that event the Buyer shall immediately relinquish possession of all systems, properties, records, reports and properties and the parties shall attempt to negotiate in good faith a repayment of those sums paid by the Buyer to any of the Seller's creditors as above described.

12. Should any litigation arise out of this Agreement or the intended transfers contemplated hereby, then the prevailing party shall be entitled to recover his attorneys' fees and costs from the non-prevailing party.

13. This Agreement constitutes the entire understanding between the parties and supercedes all previous negotiations or agreements concerning the above subject matter entered into or discussed between the parties prior to the execution hereof. This Agreement shall not be amended or modified except by written document signed by both of the parties hereto. This Agreement shall enure to the benefit of, binding upon the respective parties, their heirs, successors and assigns.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this the 1st day of November, 1990.

Signed, sealed and delivered
in our presence as witnesses:

Eugene Q. Winick

Emma Lou Decker
(As to Seller)

Michael D. Blake (SEAL)
MICHAEL D. BLAKE

Eugene Q. Winick

Emma Lou Decker
(As to Buyer)

Philip B. Woods (SEAL)
PHILIP B. WOODS

EXHIBIT "A"

1 - 4-drawer file cabinet

1 - IBM Series PS Computer and Printer

All Files, Drawings and Records concerning the Companies

1 - Office Desk

To Whom It May Concern,

We, John R. Woods M.D. and Carrie B. Woods, have hereby secured the attached note with First Union National Bank of Florida with the Certificates of Deposits #1136716 and #1309733. The certificates are for \$100,000 each.

John R. Woods
John R. Woods M.D.

Carrie B. Woods
Carrie B. Woods

Subscribed and sworn to before me
this 30th day of June 1991.

Michelle K. Wilson
Notary Public

Notary Public, State of Florida at Large
My Commission Expires: My Commission Expires Dec. 12, 1992