

DOCKET NO. ~~1997~~29-WS - GULF UTILITY COMPANY

WITNESS: Direct Testimony of William Troy Rendell, Appearing on behalf of the Staff of the Florida Public Service Commission

DATE FILED: January 6, 1997

- ACK \_\_\_\_\_
- AMA \_\_\_\_\_
- APR \_\_\_\_\_
- ATL \_\_\_\_\_
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FPSC-RECORDS/REPORTING

1 DIRECT TESTIMONY OF WILLIAM TROY RENDELL

2 Q Would you please state your name and business address?

3 A My name is Troy Rendell and my business address is 2540 Shumard Oak  
4 Boulevard, Tallahassee, FL 32399

5 Q By whom are you employed and in what capacity?

6 A I am employed by the Florida Public Service Commission as a Public  
7 Utilities Supervisor in the Rates and Charges Review Section Bureau of  
8 Economic Regulation, Division of Water and Wastewater

9 Q How long have you been employed with the Commission?

10 A Since November, 1987

11 Q Would you please give a brief description of your educational background  
12 and professional experience?

13 A I graduated from Gulf Coast Community College in 1985 with an Associate  
14 of Arts Degree in Business Administration In 1987, I graduated from the  
15 Florida State University with a Bachelor of Science Degree in Finance

16 After graduation, I was employed as a comptroller for Port Panama City  
17 Marina, Inc. In November 1987, I began working for the Florida Public Service  
18 Commission as a Regulatory Analyst I in the Bureau of Gas Regulation, Division  
19 of Electric and Gas. In January, 1991, during a structural reorganization of  
20 the Commission, I joined the Division of Auditing and Financial Analysis in  
21 the Bureau of Accounting In October, 1991 I transferred to the Division of  
22 Water and Wastewater as a Regulatory Analyst IV in the Bureau of Industry  
23 Structure and Policy Development On March 1, 1994 I accepted my current  
24 position within the Bureau of Economic Regulation I am also a Class B  
25 practitioner which makes me eligible to practice before the Commission

1 Q Have you had cause to testify in other dockets before the Florida Public  
2 Service Commission?

3 A Yes I testified in Docket No 930880-WS Investigation into the  
4 Appropriate Rate Structure for Southern States Utilities, Inc I have also  
5 filed direct testimony in Docket No 880002-EG the Energy Conservation Cost  
6 Recovery (ECCR) docket

7 Q what are your present responsibilities with the Commission?

8 A I am responsible for supervising a technical professional staff who are  
9 involved in accounting and rate aspects of formal rate applications, service  
10 availability, and limited proceedings My responsibilities also include  
11 preparing and presenting expert testimony concerning accounting and rate  
12 matters at formal hearings before the Commission as well as advising and  
13 making recommendations to the Commissioners I am also responsible for  
14 conducting research, generic investigations and recommending statutory and  
15 rule changes, and Commission policies on areas of my responsibility

16 Q What is the purpose of your testimony in this proceeding?

17 A The purpose of my testimony is to provide information regarding the  
18 proper methodology of calculating the annualized operating water revenues for  
19 Gulf Utility Company (Gulf) for the seven month period of April through  
20 November 1996, and the period from November 1996 through the effective date  
21 of the final water tariffs in this instant docket I am also testifying to  
22 the appropriate regulatory accounting treatment of property contributed from  
23 the Caloosa Group, Inc (Caloosa) an affiliated developer

24 Q When did the commission initiate the overearnings investigation for Gulf  
25 Utility?

1 A By Order No PSC 96-0501 FOF-WS issued April 11 1996 the Commission  
2 initiated an overearnings investigation and held \$353,492 or 16.92 percent in  
3 annual water revenues subject to refund. Pending the resolution of the  
4 investigation, Gulf Utility was ordered to undertake a surety bond, letter of  
5 credit or escrow agreement in the amount of \$179,203, which represents a six-  
6 month time frame, plus interest. Also, by that order, the overearnings  
7 investigation was combined with this current rate proceeding.

8 Q Has the commission issued any subsequent orders concerning any  
9 additional potential water overearnings?

10 A Yes. In the current docket Order No PSC-96-1310-FOF-WS was issued  
11 on October 28, 1996. As indicated in this order, Gulf filed its current  
12 application for an increase in wastewater rates and a decrease in water rates  
13 on June 27, 1996. In its application, Gulf requested an interim water revenue  
14 decrease of \$141,709 and a permanent water revenue decrease of \$155,935. In  
15 its filing, the utility did not request interim water rates, but instead  
16 requested that its proposed final rates be effective simultaneous with its  
17 proposed interim wastewater rates. In Order No PSC 96-1310-FOF-WS the  
18 Commission determined that it could not make a final determination regarding  
19 the potential overearnings of the water system at the time of interim.  
20 Therefore the Commission approved the company's proposed final rates on an  
21 interim basis, pending the determination of the appropriate final water rates  
22 in this case.

23 Q Has Gulf Utility implemented the lower water rates pursuant to Order No  
24 PSC-96-1310 FOF-WS?

25 A Yes, the tariff sheets containing the interim reduced water rates were

1 approved on November 1, 1996.

2 Q What is the proper methodology to determine the test year water revenues  
3 for the two periods?

4 A The water revenues should be annualized for each period the two  
5 different water rates were in effect. For the first period, April through  
6 November 1996, the revenue should be calculated based upon the appropriate  
7 billing determinants for the test period ending 1996 at the rates in effect  
8 as of October 31, 1996. For the second period, November 1996 through the  
9 effective date of the final rates, the revenue should be calculated based upon  
10 the appropriate billing determinants for the test period ending 1996 at the  
11 lower water rates at November 1, 1996.

12 Q Why is it necessary to calculate annualized test period water revenues  
13 for two different periods?

14 A The two calculations must be done so that the appropriate refund, if  
15 any, for each time period can be accurately determined. As stated earlier,  
16 16.92 percent of annual water revenues were held subject to refund beginning  
17 April 11, 1996 pending a final determination by the Commission. Gulf Utility  
18 filed an escrow agreement on May 15, 1996 and began depositing 16.92 percent  
19 of its monthly water revenues into this account. As a result of the interim  
20 water rate reduction approved in Order No. PSC-96-1310-FOF WS, the amount of  
21 revenues held subject to refund was reduced to 9.39 percent on a prospective  
22 basis. This amount is in addition to the amount of revenues previously held  
23 subject to refund pursuant to the over-earnings investigation.

24 By lowering the water rates, two distinct refund periods were created  
25 to determine any potential overearnings. Further, since two different

1 amounts were held subject to refund, two different annualized calculations  
2 must be made to determine if any refunds are necessary

3 Q How should the revised interim revenue requirement be calculated to  
4 determine any potential interim refunds or overearnings?

5 A The staff of the Commission should remove adjustments made in the rate  
6 case test period that do not relate to the period interim rates are in effect.  
7 Examples of these adjustments would be plant in service which was not in  
8 service during the interim collection period but will be in service after the  
9 final rates go into effect. Expenses which will be recovered only after final  
10 rates are established, such as rate case expense, should also be removed.  
11 After these items are removed, the staff should then calculate a revised  
12 revenue requirement for the interim period using the same data used to  
13 establish final rates.

14 Q Will it be necessary for the staff of the commission to calculate two  
15 different revised revenue requirements for the interim collection period to  
16 determine any potential water overearnings?

17 A. No. The same calculated revised water revenue requirement should be  
18 used to compare against the two annualized water service revenues. The only  
19 difference would be a calculation of two different overearning percentages,  
20 if any.

21 Q Have you researched any documentation between Gulf Utility Company and  
22 Caloosa Group, Inc.?

23 A Yes. I have reviewed several developer agreements between these two  
24 corporations on file with the Commission. I have also reviewed Gulf's tariff.

25 On December 17, 1986, Gulf filed an agreement dated April 17, 1986 with

1 Caloosa. This developer agreement was signed by Russell B. Newton, Jr. for  
2 the Caloosa Group and James W. Moore for Gulf. This agreement covered an  
3 unnamed project owned by Caloosa, consisting of 20 phases of development. On  
4 October 4, 1988, the Commission received two additional rebate agreements  
5 between these two corporations. The first one was dated April 17, 1986, and  
6 covered property identified as Unit 16, Phase I, owned by Caloosa. This  
7 agreement was also signed by Russell B. Newton, Jr. and James W. Moore.  
8 Since this rebate agreement was dated the same as the above mentioned  
9 developer agreement and signed by the same parties, I assumed that it covered  
10 the same project, but only related to Phase I of the development.

11 The next rebate agreement was dated May 5, 1987. This agreement covered  
12 Unit 16, Phase II, which was owned by Caloosa Group, Inc. As with the  
13 previous two, this agreement was signed by Russell B. Newton, Jr., on behalf  
14 of Caloosa, and James W. Moore, on behalf of Gulf.

15 On February 3, 1989, the Commission received three more rebate  
16 agreements. The first two were dated August 10, 1987. The first agreement  
17 was between Carl N. Fisk and Caloosa, as one party and Gulf as the other.  
18 This agreement was signed by Russell B. Newton, Jr., Carl N. Fisk, and James  
19 W. Moore and covered Unit 16, Phase V-A. I am not sure what, if any, the  
20 relationship is between Carl Fisk and Caloosa or Gulf. The second one covered  
21 Unit 16, Unit V. The third one was dated October 5, 1988 and covered Unit 16,  
22 Phases VI & VII. All of these referenced agreements are attached to my  
23 testimony as Composite Exhibit WTR 1.

24 Q Do you believe that the developer agreement filed dated April 17, 1986  
25 covered all of the development in unit 16?

1 A Yes Based upon my review of this agreement, this agreement covers  
2 twenty phases of an unnamed development. Subsequent rebate agreements were  
3 filed between these two parties which covered separate phases of Unit 16  
4 development. I believe that the first developer agreement was the umbrella  
5 agreement for the development of Unit 16. Then the parties entered into  
6 subsequent rebate agreements for each phase of Unit 16 to cover various plant  
7 additions.

8 Q What relevance do these agreements have to this instant rate case?

9 A In the audit report filed November 21, 1996 in this rate case, Exhibit  
10 KLW-1 attached to Kathy Welch's testimony, there was an audit disclosure which  
11 related to these transactions. Specifically, Audit Disclosure No. 1 indicates  
12 that assets received as a result of these transactions were booked by Gulf to  
13 equity instead of contributions-in-aid-of-construction (CIAC).

14 Q Have you reviewed any documentation that indicates this?

15 A Yes. I have reviewed an Unanimous written Consent to Resolutions by the  
16 Board of Directors of Gulf which was contained in the audit workpapers. This  
17 resolution indicated that owners of Caloosa were given stock in Gulf in  
18 consideration for contributed lines in the amount of \$160,928. This stock was  
19 issued to James W. Moore and the Russell B. Newton, Jr. Revocable Trust.  
20 This resolution is attached to my testimony as Exhibit WLR-1.

21 Q Do you believe this was the appropriate regulatory treatment for this  
22 transaction?

23 A No. I believe that any contributions made by developers, including an  
24 affiliated corporation, should be booked to CIAC.

25 Q On what do you base your conclusion?

1 A First I based my opinion upon the developer agreements and rebate  
2 agreements entered into by Gulf Utility Company and Caloosa Group. The  
3 definition portion of the first developer agreement of Exhibit WTR-1 dated  
4 April 17, 1986 indicates that any property received by the utility from the  
5 developer should be considered CIAC. This is shown in Section 1(c) of this  
6 agreement. Further, Sections 1(j)&(k) of this agreement, indicate that the  
7 water lines which are constructed by the developer should be considered on-  
8 site and off-site facilities. Sections 3 and 4 of the agreement, cover the  
9 installation and contribution of all on site and off site facilities. Also,  
10 as indicated on subsequent rebate agreements in Exhibit WTR-1, the developer  
11 agreed to transfer the facilities to Gulf Utility as CIAC.

12 Q Is the provision for donated lines consistent with the approved tariff  
13 on file with the Commission for Gulf Utility Company?

14 A Yes. Specifically, this contribution is consistent with Original Sheet  
15 No. 32 and Third Revised Sheet No. 33. Sections 3.0, 4.0, and 6.1 address  
16 the contributions of property by developers and indicate that these should be  
17 considered CIAC. I believe that Gulf Utility should treat contributions from  
18 all developers consistently. This will ensure nondiscriminatory treatment of  
19 contributions from all developers.

20 Q Have you attached the service availability policy section of Gulf  
21 Utility Company's approved tariffs to your testimony?

22 A Yes. They are attached as composite Exhibit WTR-3.

23 Q Is the treatment of donated lines as CIAC also consistent with  
24 commission rules?

25 A Yes. Specifically, Rule 25.30.585, Florida Administrative Code.

1 | designates that, at a minimum, the cost of installing water transmission and  
2 | distribution facilities and sewage collection facilities should be considered  
3 | CIAC

4 | Q Based upon your review, how should these contributions be treated?

5 | A Consistent with Audit Disclosure No. 1, the amount should be recorded  
6 | as a credit to CIAC and reversed as a debit to common equity. To do otherwise  
7 | would allow the company an opportunity to earn a rate of return on the plant  
8 | which should have been contributed.

9 | Q Does that conclude your testimony?

10 | A Yes, it does.

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**EXHIBIT NO. : WTR-1**

**WITNESS: WILLIAM TROY RENDELL**

**DOCKET NO. : 960329-WS**

**Application for rate increase by**

**GULF UTILITY COMPANY**

**BEFORE THE  
FLORIDA PUBLIC SERVICE  
COMMISSION**

**DESCRIPTION:**

**AGREEMENTS FILED WITH THE FPSC  
BETWEEN CALOOSA GROUP AND  
GULF UTILITY COMPANY**

**GATLIN, WOODS & CARLSON**  
*Attorneys at Law*  
a partnership including professional associations

1030 East Lafayette Street, Suite 112  
Tallahassee, Florida 32301  
(904) 877-7191

B KENNETH GATLIN P.A.  
THOMAS F WOODS  
JOHN D CARLSON  
KATHRYN G W COWDERY

December 17, 1986

Hand Deliver

Mr. Steve Tribble, Director  
Division of Records & Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32301

RECEIVED  
DEC 17 1986  
EPSC-RECORDS/REPORTING

RE: Gulf Utility Company

Dear Mr. Tribble:

Enclosed please find a copy of an Agreement between Gulf Utility Company and Caloosa Group, Inc. dated April 17, 1986.

Thank you very much.

Very truly yours,

B. Kenneth Gatlin

BKG/ljl

Enclosure

RECEIVED

Florida Public Service Commission  
Tallahassee, Florida

## AGREEMENT

~~THIS AGREEMENT, made as of this 17th day of April, 1986, between CALOOSA GROUP, INC., a Florida corporation, its successors and assigns ("Developer"), and GULF UTILITY COMPANY, a Florida corporation ("Utility").~~

## RECITALS

~~The purpose of this Agreement is to set forth in detail the (i) terms and conditions under which Utility will extend and provide water service to Developer's Property (as hereinafter defined), and the (ii) obligations and requirements of each party, with respect to the installation and maintenance of certain facilities.~~

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties agree as follows:

1. Definitions. For the purpose of this Agreement, the following terms shall have the following meanings:

(a) Active Connection. A connection to Utility's water system at the Point of Delivery, whether or not service is currently being provided.

(b) Customer Connection Charges - Payment made to the Utility for the cost of installing a connection from Utility's water main, including but not limited to the cost of piping, the Meter Installation Fee and the applicable allowance due Utility for funds prudently invested.

(c) CIAC - The amount or item of money, services, or property received by Utility, from Developer, any portion of which is provided at no cost to Utility, which represents an addition or transfer to the capital of the Utility, and which is utilized to offset the acquisition, improvement, or construction costs of the Utility's property, facilities, or equipment used to provide service to the Property. The term includes System Capacity Charges, Main Extension Charges and Customer Connection Charges.

(d) Customer Installation - All facilities on the customer's side of the Point of Delivery.

(e) ERC - 396 gallons per day. ✓

(f) FPSC - The Florida Public Service Commission.

(g) Governmental Agency - Any governmental or quasi-governmental authority which exercises jurisdiction over or regulates the Utility and its operation, the construction and use of the Off-Site and On-Site Facilities and the Property and any improvements which may be constructed thereon.

(h) Main Extension Charge - Charge made by the Utility for the purpose of covering all or part of the Utility's capital costs in extending or oversizing its off-site facilities to provide service to the Property, determined in accordance with the Rules of the FPSC.

(i) Meter Installation Fee - The amount authorized by the FPSC for installing the water measuring device at the Point of Delivery, including materials and labor required.

(j) Off-Site Facilities - The water transmission mains and facilities, including but not limited to valves, pumps and chlorination-units, the purpose of which is to provide water service to the Property and elsewhere, if any, to be constructed by Developer in accordance with the terms of this Agreement.

(k) On-Site Facilities - The water distribution system which is to be located wholly within the Property to be constructed by Developer in accordance with the terms and conditions of this Agreement. If Off-Site Facilities cross the Property via an easement, the On-Site Facilities shall mean the water distribution system that is located on the Property, exclusive of the Off-Site Facilities.

(l) Plans and Specifications - The engineering plans and the specifications of materials to be used and method of construction for the Off-Site and On-Site Facilities prepared by a licensed Florida engineer in compliance with all applicable laws, codes, rules, regulations and the Utility's prescribed standards and general construction specifications.

(m) Point of Delivery - The point of delivery of service where the pipes or meters of Utility are connected with the pipes of a consumer. Unless otherwise indicated, Point of Delivery shall be at a point inside a consumer's lot or boundary line as indicated in the applicable Lee County Division of Transportation Utility Application.

(n) Phase - That part of the Property which is being or is to be developed as a unit by Developer.

(o) Property - The land described in Exhibit A attached hereto and made a part hereof, or any Phase thereof when applicable.

(p) Reservation of Capacity Charge - The charge which may be made by Utility for the reservation of water and/or sewage service capacity.

(q) System Capacity Charge - The charge made by Utility for each new connection to its system to defray a portion of the cost of the system.

(r) Treatment Facility - Facilities owned by the Utility for production, treatment and storage of water or the treatment and disposal of sewage.

(s) Types of Properties:

(i) Single Family Residential - A one family dwelling unit constructed on its own lot and not connected to any other dwelling.

(ii) Duplex - One building containing two attached living units each having kitchen and bathroom facilities.

(iii) Triplex - One building containing three attached living units each having kitchen and bathroom facilities.

(iv) Townhouse - A series of attached one or two story dwelling units numbering more than three such units in a row each having kitchen and bathroom facilities. Townhouses of two stories are distinguished from apartments in that the first and second story of the townhouse comprises one living unit.

(v) Multiple Family - A building containing more than three units within a structure of one or more stories. Multiple Family includes rental, cooperative or condominium form of occupancy.

(vi) Commercial-Residential - All property devoted to commercial use where the intended use contemplates a temporary residency in the building. This includes, but is not limited to, hospitals, nursing homes, hotels, motels, boarding schools or other purpose which contemplates that the public will be in residence on the property either of a semi-permanent or transitory nature.

(vii) Commercial - All property devoted to industrial, business, educational or other categories not covered by another Type of Property.

## 2. Developer's Grant of Rights and Privileges.

A. Developer hereby grants and gives to Utility, its successors and assigns, the following rights, privileges and easements:

(i) The exclusive right or privilege to furnish potable water service to the Property and to all buildings constructed thereon and to all occupants thereof.

(ii) The exclusive right, privilege and easement to re-construct, own, maintain and operate the Off-Site and On-Site Facilities in, under, upon, over and across the present and future streets, roads, terraces, alleys, easements, reserved utility strips and utility sites, and any public place as provided and dedicated to public use in the record plats of the Property, or as otherwise provided for in agreements, dedications, or grants made otherwise and independent of said recorded plats in accordance with this Agreement.

B. Developer agrees that the foregoing grants include the necessary easements and rights of ingress and egress to any part of the Property, which shall be for such period of time as Utility or its successors or assigns shall require such rights, privileges or easements for the reconstruction, ownership, maintenance, operation or expansion of the Off-Site and On-Site Facilities. In the event Utility, after Final Acceptance (as defined in paragraph 4), is required or desires to relocate and install any of the Off-Site and On-Site Facilities in lands within or without the Property lying outside the rights of way, streets and easement areas described above, then Developer shall grant to or obtain for the Utility, without cost or expense to Utility, the necessary easement or easements for such relocation and installation.

3. Representations, Warranties, Covenants and Agreements of Developer.  
Developer represents and warrants to and covenants and agrees with Utility as follows:

A. Developer is the owner in fee simple of the Property.

B. Developer is a corporation organized and in good standing under the laws of the State of Florida, and the execution, delivery and performance by Developer of this Agreement are within its authorized powers and have been duly authorized by all requisite action.

C. Developer intends to develop the Property in Twenty Phases having Types of Properties and requiring water service as indicated on Exhibit B attached hereto and made a part hereof.

D. In order to implement the grants to Utility ~~specified in paragraph 2~~, Developer, prior to commencing construction of the On-Site Facilities shall, by appropriate instrument recorded among the public records of Lee County, Florida, subject the Property to the following covenants and restrictions, as a covenant running with the land:

"Gulf Utility Company, or its successors or assigns ("Company"), has the sole and exclusive right to provide all water distribution facilities and service to the Property described in Exhibit "A" and to any property to which water service is actually rendered by Company. All occupants of any residence, building, unit or improvement erected or located on the Property, and all subsequent or future owners or purchasers of the Property, or any portion thereof, shall receive such services from the Company, and shall pay for the same in accordance with the Company's rate schedules from time to time in effect as approved by the Florida Public Service Commission; and, all occupants of any residence, building, unit or improvement erected or located on the Property, and all subsequent or future owners or purchasers of the Property, or any portion thereof, agree, by occupying any premises on the Property, or by recording any deed of conveyance with respect to the Property, that they will not construct, dig, build or otherwise make available nor use such service from any source other than that provided by Company, excepting, however, any water well or water source used solely and exclusively for the purpose of supplying water for air conditioning or residential landscaping purposes on the Property."

E. Developer, at its cost and expense, has or shall cause to be prepared the Plans and Specifications, which shall be reviewed and be subject to the approval of Utility prior to commencement of construction. If there is more than one Phase, the Plans and Specifications may be limited to each of the Phases of the Developer's contemplated development of the Property; however, each Phase shall conform to Developer's master plan for development of the Property which has been previously submitted to Utility with Developer's application for service.

F. After approval of the Plans and Specifications by Utility and upon receipt by Developer of all permits, licenses and approvals of the applicable Governmental Agencies, including the Florida Department of Environmental Regulation, Developer shall cause the Off-Site and On-Site Facilities to be constructed by a duly licensed Florida contractor at Developer's cost and expense in accordance with the Plans and Specifications, the terms of this Agreement and the applicable laws and governmental rules and regulations. Developer shall maintain complete and accurate records concerning the construction and cost of the On-Site and Off-Site Facilities, including labor and materials, supervision and engineering and other expenses as listed in the NARUC System of Accounts, and shall provide the original cost to the Utility prior to Final Acceptance.

G. During the construction of the Off-Site and On-Site Facilities and prior to Final Acceptance, Utility shall have the right to inspect such construction to determine compliance with the Plans and Specifications. Utility shall be entitled to perform standard tests for pressure, exfiltration, line and grade, and all other normal engineering tests to determine that the system has been installed in accordance with the Plans and Specifications and good engineering practices. Modifications of approved Plans and Specifications shall be by written change order prepared by Developer's engineer and shall be submitted to Utility for approval.

H. Developer has paid Utility an advance deposit of \$ -0- to reimburse Utility's for its additional costs, including engineering, administrative, inspection and legal costs, incurred in the execution and performance of this Agreement. For each subsequent Phase, if any, Developer, prior to commencing development, shall pay an additional advance deposit in an amount estimated by Utility to cover such costs. Concurrently with Final Acceptance of each Phase the actual amount of such costs shall be determined by Utility and any additional amount shall be paid forthwith to Utility by Developer or unused portion of the deposit refunded to Developer.

I. Developer at its sole cost and expense shall transfer and convey to Utility, all of its right, title and interest to the Off-Site and On-Site Facilities, free and clear of all liens and encumbrances, and such conveyance shall take effect without further action upon the Final Acceptance. As evidence of such transfer and conveyance and prior to the rendering of service by Utility, Developer shall, (i) convey the Off-Site and On-Site Facilities to Utility by bill of sale, and (ii) convey or cause to be conveyed to Utility, all easements and/or rights-of-way required by Utility covering areas in which Off-Site and On-Site Facilities are located by recordable instrument free and clear of all liens and encumbrances and matters of record. All grants of easements or rights-of-way shall be accompanied by owner's title policy to Utility, insuring Utility's ownership of such easements and rights-of-way subject only to such exceptions consented to by Utility. Concurrently with the delivery of the bill of sale, Developer shall deliver to Utility final lien waivers and complete and satisfactory evidence of the direct cost of construction of the Off-Site and On-Site Facilities, and Utility shall have the right to inspect Developer's books and records in order to confirm and verify such costs.

J. In addition to the transfer for the Off-Site and On-Site Facilities to Utility as CIAC, Utility shall be paid, as CIAC, the applicable System Capacity Charge due Utility, which charge shall be paid from time to time by customers when customer connections are made to Utility's water system. The parties hereto acknowledge that

Developer does not intend to build homes on the Property and, accordingly, does not intend to reserve water system capacity to the Property. To the extent, however, that reservation of capacity is required by the Florida Department of Environmental Regulation, the Lee County Health Department or any other Governmental Agency as a condition to issuing permits for the construction of the Off-Site and On-Site Facilities, and subject to the provisions of paragraph 6C and 3S, Developer shall pay to Utility the applicable Reservation of Capacity Charge for the reservation of capacity for the total water ERC's to be furnished in the first Phase of the Property. If reservation of capacity shall be so required prior to the construction of the Off-Site and On-Site for any subsequent Phase, and provided Utility has unreserved capacity available, Developer shall pay to Utility the applicable Reservation of Capacity Charge for such Phase.

K. Receipt of CIAC by Utility is not intended to nor shall it be construed as a waiver by Utility of any of its rates, rate schedules or rules and regulations, and their enforcement shall not be affected in any manner whatsoever by Developer making the contribution. Utility shall not be obligated to refund to Developer, any portion of the value of the CIAC for any reason whatsoever, nor shall Utility pay any interest or rate of interest upon the CIAC. Neither Developer nor any person or other entity holding any of the Property by, through or under Developer, or otherwise, shall have any present or future right, title, claim or interest in and to the CIAC or to any of the facilities and properties of Utility, and all prohibitions applicable to Developer with respect to no refund of contributions and no interest payment on the CIAC, are applicable to all persons or entities. Any user or consumer of water service is not entitled to offset any bill or bills rendered by Utility for such services against the CIAC. Developer shall not be entitled to offset the CIAC against any claim or claims of Utility.

L. Prior to Utility furnishing water service, Developer, or any individual customer shall be required to pay the applicable Customer Connection Charge or Utility's Meter Installation Fee if no Customer Connection Charge is due. Developer may install the water meter boxes on a consumer's land at its own expense; provided, however, that such boxes are set to grade and otherwise installed as required by Utility.

M. Unless Utility, at its sole discretion, elects to make the customer connection, responsibility for connecting the Customer Installation to the lines of Utility at the Point of Delivery is the Developer's, or entity other than Utility, and as to such connections, it is agreed that:

(i) All Customer Installation connections must be inspected by Utility before backfilling and covering of any pipes;

(ii) The type of pipe for Customer Installations shall be first specified by Utility;

(iii) Notice to Utility requesting an inspection of a Customer Installation connection, and the meter box, if installed by Developer, is to be given by either the plumber or Developer, and the inspection will be made within twenty-four (24) hours;

(iv) If the Developer does not comply with the foregoing inspection provisions, Utility may refuse service to a connection that has not been inspected.

(v) The costs or expenses of constructing all Customer Installations and all costs and expenses of operating, repairing and maintaining any Customer Installation shall be that of Developer or entity other than Utility.

N. All Off-Site and On-Site Facilities shall at all times remain in the sole, complete and exclusive ownership of Utility, its successors and assigns, and used or held for use by Utility in connection for providing water service to its customers, and any person or entity owning any part of the Property or any of the Types of Properties constructed or located thereon, shall not have any right, title, claim or interest in and to Off-Site and On-Site Facilities, or any part of them, for any purpose, including the furnishing of water services to other persons or entities located within or beyond the limits of the Property.

O. Developer shall not engage in the business or businesses of providing water service to the Property during the period of time Utility, its successors and assigns, provides water service to the Property, it being the intention of the parties hereto that Utility shall have the sole and exclusive right and privilege to provide water service to the Property and to the occupants of each residence building or unit constructed thereon.

P. By its execution of this Agreement, Developer does hereby indemnify and hold Utility harmless from and against all losses, damages, claims and costs arising out of (i) the relocation and installation by Utility of the Off-Site and On-Site Facilities, or any part thereof, not installed completely within the applicable easements and rights of way and (ii) any and all defects, including materials and installation, in the Off-Site and On-Site Facilities which are discovered within a period of one (1) year following the date of Final Acceptance. Developer shall provide Utility with surety bond, issued by a company acceptable to Utility, undertaking to maintain the Off-Site and On-Site Facilities in good condition and working order for a period of one (1) year following Final Acceptance. Until Final Acceptance, Developer shall maintain and be responsible for and make any repairs or replacements to the Off-Site and On-Site Facilities. If Developer fails to maintain and make such repairs and replacements in a timely fashion, Utility may, at its option, undertake such action as it deems necessary, and the Developer shall reimburse Utility forthwith upon demand for any cost it incurs in taking such action.

Q. In the event Developer is not obligated to pay Utility a Main Extension Charge under this Agreement, it shall pay Utility as each individual unit of service is applied for the sum representing the applicable Customer Connection Charge then in effect for the service to be provided.

R. Developer acknowledges that it has received and has had the opportunity to become and is fully familiar with the terms and conditions of Utility's Water and Sewage Tariffs and Water Service Availability and Main Extension Policy filed with the FPSC, which tariffs and policy are available for inspection at Utility's office during normal working hours.

S. Because of the repeal of section 118(b) of the Internal Revenue Code, Utility shall charge Developer, and Developer agrees to pay Utility within fifteen (15) days of notice of such charge, an amount equal to the Tax Impact, as hereinafter defined, on all taxable contributions and advances for construction, as defined in the proposed tax law and received by Utility from Developer on or after the date of this Agreement.

For purposes of this Agreement, "Tax Impact" is defined as follows:

$$\text{TAX IMPACT} = (R) + (100 \text{ minus } R) \times (F + P)$$

R = Applicable marginal rate of federal and state tax on value of contributions which must be included in taxable income of Utility. For purposes of this calculation, the federal tax rate shall be deemed to be 34%, the state tax rate shall be deemed to be 6%, and the composite tax rate (R) shall be deemed to be 38%. The final tax impact rate will be increased or decreased by final federal and/or state income tax rates and any other applicable taxes to which contributions and advances for construction will be subject to, e.g. gross receipts tax, etc.

F = Amount of fees paid to Utility which must be included in taxable income of Utility

P = Dollar amount of property conveyed to Utility which must be included in taxable income of Utility

✓ Payments, as above defined, shall be made only after Utility shall first seek and obtain the approval of the FPSC.

T. Developer acknowledges that notwithstanding any other provision herein to the contrary, and notwithstanding Utility's acknowledgement that the Property may be developed in Phases, all water service planned in subsequent phases is subject to Utility's availability of unreserved capacity at the time of development of any subsequent phase and that Utility is under no obligation to provide such water service until such time as Utility has been paid the applicable System Capacity Charge or Reservation of Capacity Charge for any such subsequent Phase and such available capacity has been confirmed to Utility by the applicable Governmental Agencies.

4. Final Acceptance. Final acceptance ("Final Acceptance") of the Off-Site and On-Site Facilities (or such part thereof as will serve a Phase) by Utility shall occur upon satisfaction of all of the following:

A. Completion of construction of the Off-Site and On-Site Facilities in accordance with the Plans and Specifications.

B. Delivery to Utility of three (3) complete sets of as built Plans and Specifications certified by Developer's engineer.

C. Delivery to Utility of survey, or surveys, prepared and sealed by a registered Florida surveyor, showing (i) the final locations of all easements and conveyances of land to be granted Utility, and (ii) with specificity the location of the Off-Site and On-Site Facilities within such easements and the Property.

D. All engineering tests and evaluations have been completed to the satisfaction of Utility.

E. Service is being or will be provided by Utility for a minimum of one bona fide customer other than Developer, its contractor or agent.

F. Developer shall assign to Utility all warranties it has obtained from its contractors, suppliers and materialmen with respect of the construction of the Off-Site and On-Site Facilities and materials used therein.

G. Delivery to Utility of the title evidence and lien waivers referenced in paragraph 3I hereof.

5. Conditions to Utility's Obligation. Utility shall not be obligated under this Agreement unless all of the following conditions precedent to its obligation have been satisfied:

A. Developer's representations and warranties contained in this Agreement are true and correct in all respects.

B. Developer shall have fully performed in all respects its covenants and agreements contained in this Agreement.

C. Receipt by Utility of all necessary approvals and authorizations from the applicable Governmental Agencies to provide water service to the Property and to use the Off-Site and On-Site Facilities for such purposes. If the Property is not within Utility's service area, Utility may, at its election and at the cost and expense of Developer, obtain the necessary and proper applications, in which event (i) Utility agrees that it will diligently make the necessary and proper applications to all applicable Governmental Agencies, but shall not be liable in any manner for the failure to obtain the same, and (ii) Developer agrees to cooperate with Utility in its effort to obtain the requisite approvals and will prepare and deliver such information, instruments and other matters needed by Utility with respect of making such applications.

D. Final Acceptance has occurred.

E. Delivery by Developer to Utility of all instruments, documents and other matters required under this Agreement, including, but not limited to, the bill of sale, easements, deeds, the policies and evidence of costs specified in paragraph 3I.

F. **Payment to Utility by Developer of all fees and other sums due and payable under this Agreement.**

6. **Rights, Covenants and Agreements of Utility.** Upon payment of the Reservation of Capacity Charge pursuant to paragraph 3J, Utility will reserve the necessary plant capacity to provide Developer with service specified in paragraph 3C for the applicable Phase for which payment has been made, with such reservation commencing from the date of such payment and continuing for a period of eighteen (18) months thereafter. Upon satisfaction of all of the conditions precedent to Utility's obligations under this Agreement (or Utility's waiver thereof), and provided an Event of Default (as defined in paragraph 7) has not occurred, Utility, subject to its Water and Sewage Tariffs filed with the FPSC and the following terms and conditions, shall furnish water service to the Property and to each Phase thereof, if any, in an amount not to exceed the aggregate number of ERC's and for the Types of Properties and uses specified in paragraph 3C:

A. The rate to be charged Developer, its successors and assigns, and individual consumers for water service shall be those in effect at the time of customer connection and then existing in the tariff of Utility as approved by the applicable Governmental Agencies; provided, however, that Utility, its successors and assigns, may establish, amend or revise, from time to time thereafter, and enforce, modified rates for such service subject to approval, if required, of the applicable Governmental Agencies.

B. Utility may establish, amend or revise from time to time hereafter, and enforce, rules and regulations concerning water service to the Property subject to the approval, if required, of the applicable Governmental Agencies.

C. Notwithstanding anything in this Agreement to the contrary, the applicable Governmental Agencies may from time to time hereafter authorize an increase in the amount Utility may collect for System Capacity Charges and the Main Extension Charges for each ERC to be provided to the Property, in which event, the unpaid portion of such charges paid as a Reservation of Capacity Charge (if the same shall have been paid) shall be adjusted to reflect such increase in an amount equal to the ERC's reserved by this Agreement but not furnished to a consumer at the time of increase. Any increase shall be paid by Developer to Utility within fifteen (15) days of notice to Developer of such increase.

D. Utility agrees that Developer, its successors or assigns, shall have the right to grant non-exclusive easements to other persons, firms or corporations to provide to the Property with utility services other than water service, provided such easements do not interfere with the easements, rights and privileges granted Utility.

7. **Event of Default.** The term "Event of Default" as used in this Agreement shall mean the occurrence from time to time of any one or more of the following:

A. Developer's failure to timely perform the covenants and agreements contained in this Agreement.

B. If any of Developer's representations or warranties contained in this Agreement are not true and correct.

C. Developer's failure to commence construction of the Off-Site and On-Site Facilities within Three (3) months from the date of Utility's approval of the Plans and Specifications.

D. If Final Acceptance fails to occur within Twelve (12) months from the date of this Agreement.

E. If Utility is not providing either water service to the Phase for which service was reserved equal to 10 ERC's within Twenty-Four (24) months from the effective date such ERC's were reserved pursuant to this Agreement.

F. If Developer shall voluntarily be adjudicated a bankrupt or insolvent; seek, allow or consent to the appointment of a receiver or trustee for itself or for all or any part of its property, file a petition seeking relief under the bankruptcy or similar laws of the United States, or any state of competent jurisdiction; make a general assignment for the benefit of creditors; or admit in writing its inability to pay its debts as they mature.

G. If a court of competent jurisdiction shall enter an order or judgment of decree appointing without the consent of the Developer, a receiver or trustee for the Developer, or for all or any part of the property of the Developer or approving a petition filed against the Developer seeking relief under the bankruptcy or other similar laws of the United States or any state or any other jurisdiction and such order, judgment or decree shall remain in force undischarged and unstayed for a period of thirty (30) days.

Upon the occurrence of an Event of Default, Utility, in addition to any other remedy it may have, may at its option refuse to provide water service to the Property beyond service already being rendered to individual customers (other than the Developer or its agents or subcontractors) and to any of the Types of Properties therein and terminate this Agreement by written notice thereof to Developer, except as may be otherwise provided in the rules and regulations of the Governmental Agencies in effect from time to time. In addition to all other remedies Utility may have, including a suit for damages and/or equitable relief, upon an Event of Default it shall, pursuant to the rules of the FPSC, be entitled to retain any amounts received under 3H, 3J, 3Q, 3S and 6C hereof and any other sums paid or payable hereunder and to sell all or a portion of the capacity reserved hereunder without obligation, at any time, to provide alternate or substitute capacity.

8. Force Majeure. Utility shall not be liable or responsible to Developer by reason of the failure or inability of Utility to take any action it is required to take or to comply with the obligations imposed hereby or for any injury to Developer, which failure, inability or injury is caused by force majeure. The term "force majeure" as employed herein shall mean Acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies, wars, blockades, riots, acts of Armed Forces; epidemics; breakdown of or damage to machinery, pumps, or pipelines, landslides, earthquakes, fires, storms, floods, or washouts; arrests, title disputes, or other litigation; withdrawal of governmental approval or permits or restraints or moratoriums imposed by a Governmental Agency; civil disturbances; explosions; inability to obtain necessary materials, supplies, labor or permits whether due to existing or future rules, regulations, orders, laws, or proclamations either federal, state or county, civil or military; adoption of new or modification of existing rules by a Governmental Agency;

or by any other causes, whether or not of the same kind as enumerated herein, not within the sole control of Utility and which by exercise of due diligence Utility is unable to overcome.

9. Miscellaneous.

A. This Agreement shall be effective and its terms and conditions binding on the parties unless (i) Utility receives a notice of disapproval from the FPSC, in which event this Agreement shall be null and void, or (ii) the FPSC requires any modifications or amendments of the terms of this Agreement, in which event this Agreement shall, at the option of Utility, be null and void or be modified or amended accordingly.

B. This Agreement shall be binding upon and shall inure to the benefit of Developer, Utility and their respective assigns and successors by merger, consolidation or conveyance. However, in the event Developer has not paid to and contributed the CIAC to Utility in accordance with the terms of this Agreement, then this Agreement shall not be sold, conveyed, assigned, transferred or otherwise disposed of by Developer without the written consent of Utility first having been obtained.

C. Until further written notice by either party to the other, all notices provided for herein shall be in writing and delivered by U.S. certified mail, and if to Developer, at:

Caloosa Group, Inc.  
P. O. Box 52898  
Jacksonville, Florida 32201  
Attention: President

and if to Utility, at:

Gulf Utility Company  
18513 Bartow Boulevard, S.E.  
Fort Myers, Florida 33912  
Attention: Mr. James W. Moore  
President

D. This Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Utility, made with respect to the matters herein contained. No additions, alterations or variations of the terms of this Agreement shall be valid, nor can provisions of this Agreement be waived by either party, unless such additions, alterations, variations or waivers are expressed in writing and duly signed by both parties.

E. In the event either the Utility or Developer enforces this Agreement by Court proceedings or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, including reasonable attorneys' fees.

F. All of Developer's representations and warranties and the obligation of Utility to fully perform all of its covenants in this Agreement shall survive and continue subsequent to Utility providing water service in accordance with the terms of this Agreement.

G. If the Property is developed in Phases the terms and conditions of this Agreement shall apply with respect of each such Phase.

H. Any failure by either party to insist upon the strict performance by the other party of any of the terms and provisions of this Agreement shall not be deemed to be a waiver of any of the terms or provisions of this Agreement and such party failing to require such strict performance shall have the right thereafter to insist upon strict performance by the other party of any and all of them.

I. The use of any gender shall include all other genders. The singular shall include the plural and the plural the singular where the context so requires or admits.

J. The paragraph headings contained in this Agreement are for reference only and shall not in any way affect the meaning, content or interpretation hereof.

K. This Agreement may be executed in separate counterpart copies and so long as each party executes separate counterpart copies or the same copies, this Agreement shall become binding and enforceable as a contract.

L. All instruments, documents and other matters which Developer is obligated to deliver to Utility shall be in form and substance satisfactory to Utility and its counsel.

M. In no event shall Utility be obligated to provide water service to the Property in excess of the amounts and for the Types of Properties other than as set forth in paragraph 3C. In the event that all or part of the Property, as a result of a zoning or density change, requires additional water service or facilities to provide service to the Property, new plans and specifications shall be prepared by Developer, or its assigns or successors, to be approved by Utility and a new agreement negotiated and executed prior to granting additional capacity or the installation of the additional facilities. Any new agreement shall be executed prior to the development of all or parts of the Property and shall be in accordance with Utility's tariff in effect at the time of the execution of the new agreement.

IN WITNESS WHEREOF, Developer and Utility have executed and delivered this Agreement as of the day and year first above written.

Signed, sealed and delivered in the presence of:

CALOOSA GROUP, INC.

Randall Man  
Joseph S. [Signature]

By Russell B. [Signature]  
Its Ex. V. President

GULF UTILITY COMPANY

Patricia A. Houghton  
Carolyn B. Andrews

By James W. Moore  
Its President

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_, as \_\_\_\_\_ of Caloosa Group, Inc., a Florida corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF FLORIDA

COUNTY OF LEE

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by James W. Moore, as President of GULF UTILITY COMPANY, a Florida corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

**EXHIBIT B**

Phase I (or all of Property if there are no Phases):

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>34</u>	<u>34</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
Total ERC's		<u>34</u>	_____

Phase II

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>15</u>	<u>15</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
Total ERC's		<u>15</u>	_____

Phase III

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>28</u>	<u>28</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
Total ERC's		<u>28</u>	_____

Phase IV

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>7</u> ✓	<u>7</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>7</u> ✓	_____

Phase V

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>38</u> ✓	<u>38</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>38</u> ✓	_____

Phase VI

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>4</u> ✓	<u>4</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>4</u> ✓	_____

Phase VII

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>20</u> ✓	<u>20</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>20</u> ✓	_____

Phase VIII

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>7</u> ✓	<u>7</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>7</u> ✓	_____

Phase IX

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>11</u> ✓	<u>11</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>11</u> ✓	_____

Phase X

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>10</u>	<u>10</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>10</u>	_____

Phase XI

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>3</u>	<u>3</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>3</u>	_____

Phase XII

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>0</u>	<u>0</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>0</u>	_____

Phase XIII

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>5</u> ✓	<u>5</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>5</u> ✓	_____

Phase XIV

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>8</u> ✓	<u>8</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>8</u> ✓	_____

Phase XV

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>1</u> ✓	<u>1</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>1</u> ✓	_____

Phase XVI

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>6</u> ✓	<u>6</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
Total ERC's		<u>6</u> ✓	_____

Phase XVII

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>0</u> ✓	<u>0</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
Total ERC's		<u>0</u> ✓	_____

Phase XVIII

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>3</u> ✓	<u>3</u> ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
Total ERC's		<u>3</u> ✓	_____

Phase XIX

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>1</u>	<u>1</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>1</u> ✓	_____

Phase XX

<u>Types or Properties</u>	<u>No. of Units</u>	<u>Water Consumption</u>	<u>Waste Water Consumption</u>
Multiple Family	_____	_____ ERC's	_____ ERC's
Single Family Residential	<u>0</u>	<u>0</u> ✓ ERC's	_____ ERC's
Duplex	_____	_____ ERC's	_____ ERC's
Triplex	_____	_____ ERC's	_____ ERC's
Townhouses	_____	_____ ERC's	_____ ERC's
Commercial Residential	_____	_____ ERC's	_____ ERC's
Commercial	_____	_____ ERC's	_____ ERC's
<b>Total ERC's</b>		<u>0</u> ✓	_____

**GULF UTILITY COMPANY**

P.O. Box 350  
 Estero, FL 33928-0350  
 18513 Bartow Blvd. SE  
 Ft. Myers, FL 33912

(813) 267-7747

Exhibit WTR-1 (Page 23 of 30)  
**LETTER OF TRANSMITTAL**

TO Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301

DATE	9-27-88	JOB NO.	
ATTENTION	Steve Tribble		
RE			

WE ARE SENDING YOU  Attached  Under separate cover via \_\_\_\_\_ the following items:

- Shop drawings     Prints     Plans     Samples     Specifications  
 Copy of letter     Change order     \_\_\_\_\_

COPIES	DATE	NO.	DESCRIPTION
2	9-27		Agreements from SW Florida Capitol Corp and Alan C. Freeman
			<i>Rebate Agreements With:</i>
			<i>Sunny Grove Park, Inc.</i>
			<i>Caloosa Group, Inc. (checked 4/17/86)</i>
			<i>" " " (checked 4/17/86)</i>

**RECEIVED**  
 OCT - 4 1988

THESE ARE TRANSMITTED as checked below:

- For approval     Approved as submitted     Results of RECORDS REPORTING  
 For your use     Approved as noted     Submit \_\_\_\_\_ copies for distribution  
 As requested     Returned for corrections     Return \_\_\_\_\_ corrected prints  
 For review and comment     For filling with FPSC  
 FOR BIDS DUE \_\_\_\_\_ 19 \_\_\_\_\_  PRINTS RETURNED AFTER LOAN TO US

REMARKS \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

COPY TO \_\_\_\_\_

SIGNED: \_\_\_\_\_

REBATE AGREEMENT

THIS AGREEMENT made and entered into this 17th day of April, 1986, by and between CALOOSA GROUP, INC., hereinafter referred to as "Developer," and GULF UTILITY COMPANY, hereinafter referred to as "Gulf."

WHEREAS, Developer owns property located in Lee County, Florida as more fully described in Exhibit "A" ("Developer's Property"), and

WHEREAS, Developer finds it necessary that adequate water facilities and service be provided to serve Developer's Property, and

WHEREAS, in order to provide service Gulf requires that such facilities be constructed in such a manner that they may serve in addition to the Developer's Property the property described in Exhibit "A," which facilities are more particularly described in plans and specifications approved by Gulf (the "Facilities").

THEREFORE, in consideration of meeting Gulf's requirements, Gulf agrees to rebate to the Developer, on a limited basis as hereinafter set forth, a maximum of all but Developer's pro-rata share of the cost of installing the Facilities, as shown in Exhibit "A", as follows:

1. Total Cost of Facilities As described in Exhibit " <u>B</u> "	\$ <u>37,630.00</u>
2. Total lots that may be served by the Facilities	<u>113</u>
3. Cost of Facilities per lot	\$ <u>333.01</u>
4. Lots used by Developer	<u>73</u>
5. Lots on which Developer is entitled to a rebate, as described in Exhibit " <u>A</u> "	<u>40</u>

1. If a permanent connection into the Facilities for service is actually made to any lot described in Exhibit "A," the owner of such lot will be required by Gulf to pay such owner's pro-rata share of the cost of the Facilities. After any such sums are collected by Gulf, Gulf will then forward such sums to the Developer, less a \$50.00 handling charge for each such transaction. Gulf reserves the right, to be used in Gulf's absolute and sole discretion, and Developer expressly acknowledges such right, to direct any such lot owner to connect or utilize facilities other than the Facilities installed by Developer, in which event Developer

shall not be entitled to any rebate hereunder with respect to such lot and connection. Gulf's obligations to make rebates as provided herein shall expire seven (7) years from the date hereof, and after such date no further rebates shall be due or payable by Gulf to the Developer regardless of whether connections to the Facilities are subsequently made with respect to any lot.

2. By execution of this Agreement and upon acceptance of the Facilities to be installed pursuant to this Agreement, the Developer hereby transfers to Gulf, as a contribution-in-aid-of-construction, Developer's right, title and interest in the Facilities.

3. Upon acceptance of the Facilities, Gulf shall be responsible for any and all maintenance, provided, however, that the Developer shall warrant said Facilities as to defects in materials and workmanship for a period of one (1) year.

IN WITNESS WHEREOF, Developer and Gulf have executed and caused this Agreement, inclusive of Exhibits hereto attached, to be duly executed as of the date and year first above mentioned.

CALOOSA GROUP, INC.

By *Samuel B. [Signature]*  
Its

(SEAL)

GULF UTILITY COMPANY

By *Ramus W. [Signature]*  
Its

(SEAL)

## EXHIBIT "A"

Total Lots in Unit 16 - Phase I - Owned by Caloosa Group

TOTAL: 73 Lots

BLOCK 174 LOTS 68, 69, 70, 71, 72, 73, 74, 75, 82, 83, 86, 87, 88, 89,  
92, 93, 94, 95, 96, 99, 100, 101, 102, 103, 104, 105,  
106, 107, 108, 113, 114, 115, 116, 117, 118, 119

BLOCK 173 LOTS 3, 4

BLOCK 186 LOTS 34, 35, 36, 37, 38

BLOCK 192 LOTS 31, 32, 35, 36, 39, 40, 43, 44, 45, 46, 55, 56, 57, 58,  
59, 60, 1, 2

BLOCK 193 LOTS 18, 19, 26, 27, 28, 29, 32, 33, 34

BLOCK 194 LOTS 12, 13, 14

Total Lots in Unit 16 - Phase I - Not Owned by Caloosa Group

TOTAL: 40 Lots

BLOCK 174 LOTS 66, 67, 76, 77, 78, 79, 80, 81, 84, 85, 90, 91, 97, 98,  
109, 110, 111, 112

BLOCK 192 LOTS 33, 34, 37, 38, 41, 42, 47, 48, 49, 50, 51, 52, 53, 54

BLOCK 193 LOTS 20, 21, 22, 23, 24, 25, 30, 31

**Caloosa Group, Inc.**  
**P.O. Box 350**  
**Estero, FL 33928-0350**  
**(813) 267-1313**

**EXHIBIT "B"**

**COSTS RELATED TO UNIT 16 - PHASE I CONSTRUCTION**

Total Construction of Water Line	\$34,745.00	✓
Engineering Fees	2,500.00	✓
Bacteriologic Testing	385.00	✓
	<hr/>	
<b>TOTAL CONSTRUCTION COSTS</b>	<b><u><u>\$37,630.00</u></u></b>	✓

**GULF UTILITY COMPANY**  
 P.O. Box 280  
 Estero, FL 33928-0280  
 18513 Bartow Blvd. SE  
 Ft. Myers, FL 33912

R

**LETTER OF TRANSMITTAL**

(813) 267-7747

TO Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301

DATE	9-27-88	ADD NO.
ATTENTION	Steve Tribble	10-
RE		

WE ARE SENDING YOU  Attached  Under separate cover via \_\_\_\_\_ the following items:

- Shop drawings     Prints     Plans     Samples     Specifications  
 Copy of letter     Change order     \_\_\_\_\_

COPIES	DATE	NO.	DESCRIPTION
2	9-27		Agreements from SW Florida Capitol Corp and Alan C. Freeman
			<i>Roberts Agreements With:</i>
			<i>Sunny Grove Park, Inc.</i>
			<i>Caloach Grove, Inc. (dated 4/17/86)</i>
			<i>ll. " " " "</i>

**RECEIVED**  
 OCT - 4 1988

THESE ARE TRANSMITTED as checked below:

- For approval     Approved as submitted     ~~FOR RECORDS~~ **FOR REPORTING**  
 For your use     Approved as noted     Submit \_\_\_\_\_ copies for distribution  
 As requested     Returned for corrections     Return \_\_\_\_\_ corrected prints  
 For review and comment     For filing with FPSC  
 FOR BIDS DUE \_\_\_\_\_ 19 \_\_\_\_\_  PRINTS RETURNED AFTER LOAN TO US

REMARKS \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

COPY TO \_\_\_\_\_

SIGNED: \_\_\_\_\_

REBATE AGREEMENT

This Agreement made and entered into this 5th day of May 1987 by and between CALOOSA GROUP, INC., hereinafter referred to as "Developer" and Gulf Utility Company, hereinafter referred to as "Gulf".

WHEREAS, Developer owns property located in Lee County, Florida as more fully described in Exhibit "A", and

WHEREAS, Developer finds it necessary that adequate water facilities and service be provided to serve said property and

WHEREAS, in order to provide service Gulf requires that said facilities be constructed in such a manner that they may serve in addition to the Developers property the property so noted in Exhibit "A".

THEREFORE, in consideration of meeting Gulf's requirements, Gulf agrees to rebate to the Developer all but their pro-rata share of the cost of installing said facilities, as shown in Exhibit "B" as follows:

1. Total Cost of Facilities As described in Exhibit "B"	<u>\$17,473.77</u>
2. Total Lots that may be served by the facilities	<u>77</u>
3. Cost per lot	<u>226.93</u>
4. Lots used by Developer	<u>45</u>
5. Lots on which Developer is entitled to a rebate, as described in Exhibit <u>"A"</u>	<u>32</u>

As potential customers, defined as those so noted in Exhibit "A", connect to the facilities installed pursuant to this agreement, they will be required by Gulf to pay their pro-rata share of the cost of the system to Gulf. Gulf will then forward the monies so collected to the Developer.

By execution of this agreement and upon acceptance of the facilities to be installed pursuant to this agreement, the Developer hereby transfers to Gulf, as a contribution-in-aid-of-construction, its right, title and interest in the facilities more fully described in Exhibit "B".

Upon acceptance of the facilities, Gulf shall be responsible for any, and all maintenance; provided, however, that the Developer shall warrant said facilities as to defect in materials and workmanship, for a period of one (1) year.

This Agreement shall be valid for seven (7) years from the date hereof, at which time it expires and no further rebates shall be due or payable to the Developer.

IN WITNESS WHEREOF, Developer and Gulf have executed and caused this Agreement, inclusive of Exhibits hereto attached, to be duly executed in several counterparts, each of which shall be considered an original executed copy of this agreement.

Caloosa Group, Inc.

BY *Russell B. Newton*  
It's President

ATTEST *Randall Mann* [SEAL]  
It's Secretary

"DEVELOPER"

GULF UTILITY COMPANY

BY *Russell Wilcox*  
It's President

ATTEST *Caroline B. Anderson* [SEAL]  
It's Assistant Secretary

"FLORIDA"

EXHIBIT "A"

TOTAL LOTS IN UNIT 16 - PHASE II - OWNED BY CALOOSA GROUP, INC.

TOTAL: 45 Lots

BLOCK 186 LOTS: 32,33

BLOCK 190 LOTS: 39

BLOCK 191 LOTS: 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 50, 51,  
52, 53, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70

BLOCK 192 LOTS: 7, 8,14, 15, 18, 19, 20, 21, 22, 23, 24, 25, 28, 29, 30

TOTAL LOTS IN UNIT 16 - PHASE II - NOT OWNED BY CALOOSA GROUP, INC.

TOTAL: 32 Lots

BLOCK 191 LOTS: 46, 47, 48, 49, 54, 55, 56, 57, 58, 59

BLOCK 192 LOTS: 3, 4, 5, 6, 9, 10, 11, 12, 13, 16, 17, 26, 27

BLOCK 193 LOTS: 1, 2, 3, 4, 5

BLOCK 195 LOTS: 50, 51, 52, 53

EXHIBIT "B"

COSTS RELATED TO UNIT 16 - PHASE II - CONSTRUCTION

TOTAL CONSTRUCTION OF WATER LINE	\$16,202.38 ✓
ENGINEERING FEES	1,061.39 ✓
BACTERIOLOGIC TESTING	210.00 ✓
	_____ ✓
TOTAL CONSTRUCTION COSTS:	<u>\$17,473.77</u>

Phase I A

REBATE AGREEMENT

This Agreement made and entered into this 10th day of August, 19 87 by and between Carl N. Fisk and Caloosa Group, Inc., hereinafter referred to as "Developer" and Gulf Utility Company, hereinafter referred to as "Gulf".

WHEREAS, Developer owns property located in Lee County, Florida as more fully described in Exhibit "A", and

WHEREAS, Developer finds it necessary that adequate water facilities and service be provided to serve said property and

WHEREAS, in order to provide service Gulf requires that said facilities be constructed in such a manner that they may serve in addition to the Developer's property the property so noted in Exhibit "A".

THEREFORE, in consideration of meeting Gulf's requirements, Gulf agrees to rebate to the Developer all but their pro-rata share of the cost of installing said facilities, as shown in Exhibit "B" as follows:

1. Total cost of facilities	<u>\$4,448.27</u>
2. Total lots that may be served by the facilities	<u>19</u>
3. Cost per lot	<u>234.11</u>
4. Lots used by Developer	<u>13</u>
5. Lots on which Developer is entitled to a rebate, as described in Exhibit <u>"A"</u>	<u>6</u>

As potential customers, defined as those so noted in Exhibit "A", connect to the facilities installed pursuant to this Agreement, they will be required by Gulf to pay their pro-rata share of the cost of the system to Gulf. Gulf will then forward the monies so collected to the Developer.

By execution of this Agreement and upon acceptance of the facilities to be installed pursuant to this Agreement, the Developer hereby transfers to Gulf, as a contribution-in-aid-of-construction, its right, title and interest in the facilities more fully described in Exhibit "B".

Upon acceptance of the facilities, Gulf shall be responsible for any, and all maintenance; provided, however, that the Developer shall warrant said facilities as to defect in materials and workmanship, for a period of one (1) year.

This Agreement shall be valid for seven (7) years from the date hereof, at which time it expires and no further rebates shall be due or payable to the Developer.

For each ~~year~~ for which this agreement is in effect, Gulf shall be entitled to collect \$50.00 for record-keeping to be deducted from the amount remitted to the Developer.

IN WITNESS WHEREOF, Developer and Gulf have executed and caused this Agreement, inclusive of Exhibits hereto attached, to be duly executed in several counterparts, each of which shall be considered an original executed copy of this agreement.

BY Arnold B. Newton  
It's President

ATTEST Randall Mann [SEAL]  
It's Secretary

"DEVELOPER"

GULF UTILITY COMPANY

BY James W. Moore  
It's President

ATTEST Carolyn B. Andrews [SEAL]  
It's Assistant Secretary

"FLORIDA"

Sworn to and subscribed  
before me this 10th  
day of August,  
19 87.

Carl N. Fisk (Individual)  
Carl N. Fisk

Patricia A. Hayston  
NOTARY PUBLIC

NOTARY PUBLIC, STATE OF FLORIDA.  
MY COMMISSION EXPIRES OCT. 20, 1990.  
BONDERS THIS NOTARY PUBLIC MUST AFFIX.

EXHIBIT "A"

TOTAL LOTS IN UNIT 16 - PHASE V-A - OWNED BY DEVELOPERS

TOTAL: 13 Lots

BLOCK 190 LOTS: 42, 43, 44

BLOCK 191 LOTS: 24, 25, 26, 27, 28, 29, 30, 31, 32, 33

TOTAL LOTS IN UNIT 16 - PHASE V-A - NOT OWNED BY DEVELOPERS

TOTAL: 6 Lots

BLOCK 190 LOTS: 40, 41, 45, 46, 47, 48

## EXHIBIT "B"

## COSTS RELATED TO UNIT 16 - PHASE V-A - CONSTRUCTION

TOTAL CONSTRUCTION OF WATER LINE	\$4,318.27
ENGINEERING FEES	50.00
BACTERIOLOGIC TESTING	<u>80.00</u>
TOTAL CONSTRUCTION COSTS	<u>\$4,448.27</u>

AGREEMENT

I, Carl N. Fisk (an Individual) and James W. Moore as President of Caloosa Group, Inc., hereby agree to share in the cost of the water line installation and road work related to the Grove Road extension, otherwise known as Phase V-A of Unit 16 in San Carlos Park Subdivision.

In this respect, the applicable water line Rebate Agreement, a copy of which is attached as an exhibit to this Agreement, will be a shared interest as well.

August 10, 1987

Dated

Carl N. Fisk

Carl N. Fisk (an Individual)

Patricia A. Houghton

Notary

James W. Moore

James W. Moore, President  
Caloosa Group, Inc.

NOTARY PUBLIC, STATE OF FLORIDA.  
MY COMMISSION EXPIRES: OCT. 20, 1990.  
BONFET & CO. NOTARY PUBLIC UNDERWRITERS.

*Phase I*

REBATE AGREEMENT

This Agreement made and entered into this 10th day of August, 19 87 by and between Caloosa Group, Inc., hereinafter referred to as "Developer" and Gulf Utility Company, hereinafter referred to as "Gulf".

WHEREAS, Developer owns property located in Lee County, Florida as more fully described in Exhibit "A", and

WHEREAS, Developer finds it necessary that adequate water facilities and service be provided to serve said property and

WHEREAS, in order to provide service Gulf requires that said facilities be constructed in such a manner that they may serve in addition to the Developer's property the property so noted in Exhibit "A".

THEREFORE, in consideration of meeting Gulf's requirements, Gulf agrees to rebate to the Developer all but their pro-rata share of the cost of installing said facilities, as shown in Exhibit "B" as follows:

1. Total cost of facilities	<u>\$26,787.25</u>
2. Total lots that may be served by the facilities	<u>96</u>
3. Cost per lot	<u>279.03</u>
4. Lots used by Developer	<u>75</u>
5. Lots on which Developer is entitled to a rebate, as described in Exhibit <u>"A"</u>	<u>21</u>

As potential customers, defined as those so noted in Exhibit "A", connect to the facilities installed pursuant to this Agreement, they will be required by Gulf to pay their pro-rata share of the cost of the system to Gulf. Gulf will then forward the monies so collected to the Developer.

By execution of this Agreement and upon acceptance of the facilities to be installed pursuant to this Agreement, the Developer hereby transfers to Gulf, as a contribution-in-aid-of-construction, its right, title and interest in the facilities more fully described in Exhibit "B".

Upon acceptance of the facilities, Gulf shall be responsible for any, and all maintenance; provided, however, that the Developer shall warrant said facilities as to defect in materials and workmanship, for a period of one (1) year.

This Agreement shall be valid for seven (7) years from the date hereof, at which time it expires and no further rebates shall be due or payable to the Developer.

For each lot for which this agreement is in effect, Gulf shall be entitled to collect \$50.00 for record-keeping to be deducted from the amount remitted to the Developer.

IN WITNESS WHEREOF, Developer and Gulf have executed and caused this Agreement, inclusive of Exhibits hereto attached, to be duly executed in several counterparts, each of which shall be considered an original executed copy of this agreement.

\_\_\_\_\_  
BY *Arnold B. Newton*  
It's President

ATTEST *Randall Mann* [SEAL]  
It's Secretary

"DEVELOPER"

GULF UTILITY COMPANY  
BY *James W. Moore*  
It's President

ATTEST *Carolyn B. Andrews* [SEAL]  
It's Assistant Secretary

"FLORIDA"

## EXHIBIT "A"

## TOTAL LOTS IN UNIT 16 - PHASE V - OWNED BY CALOOSA GROUP, INC.

TOTAL: 75 Lots

BLOCK 190 LOTS: 11, 12, 13, 14, 17, 18, 21, 22, 23, 24, 25, 28, 29, 30, 31,  
32, 33, 34, 35, 36, 37, 38

BLOCK 195 LOTS: 57, 58

BLOCK 196 LOTS: 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20,  
21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 37,  
38, 41, 42, 43, 44, 45, 46

BLOCK 197 LOTS: 10

BLOCK 198 LOTS: 20, 21

BLOCK 199 LOTS: 27, 28, 29, 30, 31, 32, 33, 34, 35, 36

## TOTAL LOTS IN UNIT 16 - PHASE V - NOT OWNED BY CALOOSA GROUP, INC.

TOTAL: 21 Lots

BLOCK 190 LOTS: 15, 16, 19, 20, 26, 27

BLOCK 195 LOTS: 54, 55, 56, 59, 60

BLOCK 196 LOTS: 5, 6, 7, 8, 35, 36, 39, 40

BLOCK 199 LOTS: 25, 26

## EXHIBIT "B"

## COSTS RELATED TO UNIT 16 - PHASE V - CONSTRUCTION

TOTAL CONSTRUCTION OF WATER LINE AND BACTERIOLOGIC TESTING	\$26,000.00
ENGINEERING FEES	<u>787.25</u>
TOTAL CONSTRUCTION COSTS	<u>\$26,787.25</u>

Phase II

REBATE AGREEMENT

This Agreement made and entered into this 5th day of May 1997 by and between CALOOSA GROUP, INC., hereinafter referred to as "Developer" and Gulf Utility Company, hereinafter referred to as "Gulf".

WHEREAS, Developer owns property located in Lee County, Florida as more fully described in Exhibit "A", and

WHEREAS, Developer finds it necessary that adequate water facilities and service be provided to serve said property and

WHEREAS, in order to provide service Gulf requires that said facilities be constructed in such a manner that they may serve in addition to the Developers property the property so noted in Exhibit "A".

THEREFORE, in consideration of meeting Gulf's requirements, Gulf agrees to rebate to the Developer all but their pro-rata share of the cost of installing said facilities, as shown in Exhibit "B" as follows:

1. Total Cost of Facilities As described in Exhibit "B"	<u>\$17,473.77</u>
2. Total Lots that may be served by the facilities	<u>77</u>
3. Cost per lot	<u>226.93</u>
4. Lots used by Developer	<u>45</u>
5. Lots on which Developer is entitled to a rebate, as described in Exhibit <u>"A"</u>	<u>32</u>

As potential customers, defined as those so noted in Exhibit "A", connect to the facilities installed pursuant to this agreement, they will be required by Gulf to pay their pro-rata share of the cost of the system to Gulf. Gulf will then forward the monies so collected to the Developer.

By execution of this agreement and upon acceptance of the facilities to be installed pursuant to this agreement, the Developer hereby transfers to Gulf, as a contribution-in-aid-of-construction, it's right, title and interest in the facilities more fully described in Exhibit "B".

Upon acceptance of the facilities, Gulf shall be responsible for any, and all maintenance; provided, however, that the Developer shall warrant said facilities as to defect in materials and workmanship, for a period of one (1) year.

This Agreement shall be valid for seven (7) years from the date hereof, at which time it expires and no further rebates shall be due or payable to the Developer.

IN WITNESS WHEREOF, Developer and Gulf have executed and caused this Agreement, inclusive of Exhibits hereto attached, to be duly executed in several counterparts, each of which shall be considered an original executed copy of this agreement.

Caloosa Group, Inc.

---

BY *Arnold B. Minicop*  
It's President

ATTEST *Randall M. ...* [SEAL]  
It's Secretary

"DEVELOPER"

GULF UTILITY COMPANY

BY *Ramus Wilcox*  
It's President

ATTEST *Lucy B. Anderson* [SEAL]  
It's Assistant Secretary

"FLORIDA"

EXHIBIT "A"

TOTAL LOTS IN UNIT 16 - PHASE II - OWNED BY CALOOSA GROUP, INC.

TOTAL: 45 Lots

BLOCK 186 LOTS: 32,33

BLOCK 190 LOTS: 39

BLOCK 191 LOTS: 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 50, 51,  
52, 53, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70

BLOCK 192 LOTS: 7, 8,14, 15, 18, 19, 20, 21, 22, 23, 24, 25, 28, 29, 30

TOTAL LOTS IN UNIT 16 - PHASE II - NOT OWNED BY CALOOSA GROUP, INC.

TOTAL: 32 Lots

BLOCK 191 LOTS: 46, 47, 48, 49, 54, 55, 56, 57, 58, 59

BLOCK 192 LOTS: 3, 4, 5, 6, 9, 10, 11, 12, 13, 16, 17, 26, 27

BLOCK 193 LOTS: 1, 2, 3, 4, 5

BLOCK 195 LOTS: 50, 51, 52, 53

## EXHIBIT "B"

## COSTS RELATED TO UNIT 16 - PHASE II - CONSTRUCTION

TOTAL CONSTRUCTION OF WATER LINE	\$16,202.38
ENGINEERING FEES	1,061.39
BACTERIOLOGIC TESTING	210.00
	<hr/>
TOTAL CONSTRUCTION COSTS:	<u><u>\$17,473.77</u></u>

REBATE AGREEMENT

This Agreement made and entered into this 5 day of October 1988 by and between Caloosa Group, Inc., hereinafter referred to as "Developer" and Gulf Utility Company, hereinafter referred to as "Gulf".

WHEREAS, Developer owns property located in Lee County, Florida as more fully described in Exhibit "A", and

WHEREAS, Developer finds it necessary that adequate water facilities and service be provided to serve said property and

WHEREAS, in order to provide service Gulf requires that said facilities be constructed in such a manner that they may serve in addition to the Developers property the property so noted in Exhibit "A".

THEREFORE, in consideration of meeting Gulf's requirements, Gulf agrees to rebate to the Developer all but their pro-rata share of the cost of installing said facilities, as shown in Exhibit "B" as follows:

1. Total Cost of Facilities	<u>\$ 26,161.31</u>
2. Total Lots that may be served by the facilities	<u>67</u>
3. Cost per lot	<u>390.47</u>
4. Lots used by Developer	<u>45</u>
5. Lots on which Developer is entitled to a rebate, as described in Exhibit " <u>A</u> "	<u>22</u>

As potential customers, defined as those so noted in Exhibit "A", connect to the facilities installed pursuant to this agreement, they will be required by Gulf to pay their pro-rata share of the cost of the system to Gulf. Gulf will then forward the monies so collected to the Developer.

By execution of this agreement and upon acceptance of the facilities to be installed pursuant to this agreement, the Developer hereby transfers to Gulf, as a contribution-in-aid-of-construction, it's right, title and interest in the facilities more fully described in Exhibit "B".

Upon acceptance of the facilities, Gulf shall be responsible for any, and all maintenance; provided, however, that the Developer shall warrant said facilities as to defect in materials and workmanship, for a period of one (1) year.

This Agreement shall be valid for seven (7) years from the date hereof, at which time it expires and no further rebates shall be due or payable to the Developer.

IN WITNESS WHEREOF, Developer and Gulf have executed and caused this Agreement, inclusive of Exhibits hereto attached, to be duly executed in several counterparts, each of which shall be considered an original executed copy of this agreement.

BY Russell B. Newton  
It's President

ATTEST Patricia A. Houghton [SEAL]  
It's Secretary

"DEVELOPER"

GULF UTILITY COMPANY

BY Rames W. Moore  
It's President

ATTEST Carole B. Andrew [SEAL]  
It's Assistant Secretary

"FLORIDA"

EXHIBIT "A"

TOTAL LOTS IN UNIT 16 - PHASES VI & VII - OWNED BY CALOOSA GROUP, INC.

TOTAL: 45 Lots

BLOCK 188 Lots: 17, 18, 19

BLOCK 190 Lots: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10

BLOCK 197 Lots: 1, 2, 5, 6, 11

BLOCK 198 Lots: 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 22, 23, 24,  
25, 26, 27, 32, 33

BLOCK 199 Lots: 37, 38, 46, 47, 48, 49, 50, 51

TOTAL LOTS IN UNIT 16 - PHASES VI & VII - NOT OWNED BY CALOOSA GROUP, INC.

TOTAL: 22 Lots

BLOCK 197 Lots: 3, 4, 7, 8, 9

BLOCK 198 Lots: 3, 4, 5, 6, 7, 8, 28, 29, 30, 31

BLOCK 199 Lots: 39, 40, 41, 42, 43, 44, 45

## EXHIBIT "B"

## COSTS RELATED TO UNIT 16 - PHASE VI &amp; VII - CONSTRUCTION

TOTAL CONSTRUCTION OF WATERLINE AND BACTERIOLOGIC TESTING	\$23,810.00
ENGINEERING FEES	<u>2,351.31</u>
TOTAL CONSTRUCTION COSTS	\$26,161.31

**EXHIBIT NO. : WTR-2**

**WITNESS: WILLIAM TROY RENDELL**

**DOCKET NO. : 960329-WS**

**Application for rate increase by**

**GULF UTILITY COMPANY**

**BEFORE THE  
FLORIDA PUBLIC SERVICE  
COMMISSION**

**DESCRIPTION:**

**UNANIMOUS WRITTEN CONSENT TO RESOLUTIONS  
BY THE BOARD OF DIRECTORS OF  
GULF UTILITY COMPANY**

UNANIMOUS WRITTEN CONSENT TO RESOLUTIONS  
by BOARD OF DIRECTORS OF  
GULF UTILITY COMPANY

Pursuant to the authority contained in Section 607.134, Florida Statutes (1989), the adoption of the following resolutions is consented to by the undersigned, who are all of the members of the Board of Directors of this Corporation:

WHEREAS, James W. Moore ("Moore") and the Russell B. Newton, Jr. Revocable Trust U/A 1/15/82 (the "Trust") have contributed to this Corporation a 20% and an 80% interest, respectively, in the following assets:

(i) Unit 16, Phase 8 water lines, valued at \$8,429.76, and

(ii) Caloosa Trace, Phase 1 sewer and water lines, valued at \$152,498.50

NOW THEREFORE BE IT RESOLVED, that in consideration for such contribution, this Corporation be and hereby is authorized to issue 12 shares of common stock of this Corporation to Moore and 48 shares of common stock of this Corporation to the Trust; and

FURTHER RESOLVED, that the President or any Vice President and the Secretary or any Assistant Secretary of this Corporation be and hereby are authorized to issue a certificate to Moore and to the Trust representing the number of shares of common stock set forth above.

DATED: 7/22/90

Russell B. Newton, III  
Russell B. Newton, III

Elizabeth R. Gwynn  
Elizabeth R. Gwynn

James W. Moore  
James W. Moore

W. Randall Mann  
W. Randall Mann

On this 20 day of February, 19 90 the UNDERSIGNED (hereinafter referred to as "CONTRACTOR") HEREBY CERTIFIES to BOLP UTILITY COMPANY, Post Office Box 350, Estero, Florida 33928, (hereinafter referred to as "OWNER") the following:

**WAIVER OF LIEN**

All labor employed, material purchased, equipment hired, fees, licenses, insurances and taxes of every description have been paid in full and there are no liens outstanding for said project. Contractor further certifies that he will indemnify and save harmless the Owner from any and all manner of claims, liens, suits, loss or damage arising by virtue of Contractor or Contractor's subcontractors or suppliers.

**WARRANTY AND GUARANTEE**

If within one year after the date of acceptance by Owner or such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Project Engineer, any work is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions, either correct such defective work or, if it has been rejected by Owner, remove it from the site and replace it with nondefective work. If Contractor does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective work corrected or the rejected work removed and replaced, and all direct and indirect costs of such removal and replacement, including compensation for additional professional services, shall be paid by Contractor.

**INDEMNIFICATION**

The Contractor shall indemnify and hold harmless the Owner against all claims, damages, losses and expenses, including, but not limited to, attorney's fees, arising out of or resulting from negligent acts, errors or omissions of the Contractor where the claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or injury to or destruction of tangible property, including loss of use resulting therefrom.

**COST AND MATERIAL**

A detailed accounting of total cost and quantities of material used in this project, per as-built and record drawings, is attached and made a part of this certification.

THE UNDERSIGNED person, or persons, is authorized to represent the company, corporation, representative or individual (Contractor) and binds himself, his partners, successors, executors, administrators, assigns and legal representatives to the above.

Caloosa Trace

PROJECT NAME OF WATER AND/OR WASTEWATER SYSTEM

Ledo Lines Inc.

CONTRACTOR

4461 Hancock Bridge Parkway

North Fort Myers, Florida 33903

Address

By: Wayne R. Wolfarth

Wayne R. Wolfarth, Vice-President  
Name and Title

Sworn to and subscribed before me this

20 day of February

19 90

[Signature]

CONTRACTOR'S CERTIFICATION

TOTAL COST AND QUANTITIES

*Kew*  
*5/27/19*

THIS IS A WATER X AND/OR WASTEWATER \_\_\_\_\_ SYSTEM

PROJECT NAME:

Caloosa Trace

Instructions: Describe each item separately by size, quantity, unit price and total cost. Services, fire meter vaults, pumping stations, etc., may be lump sum totals; however, include full description and quantity installed for each category.

ITEM DESCRIPTION	SIZE	QUANTITY	UNIT COST	TOTAL
1. C900 PVC Watermain	8"	4057 LF	\$ 8.00	\$32,456.00
2. CL50 DIP	8"	504 LF	10.25	5,166.00
3. C900 PVC watermain	6"	410 LF	6.60	2,706.00
4. CL50 DIP	6"	90 LF	8.75	787.50
5. Gate valve w/box	8"	12 EA	360.00	4,320.00
6. Gate valve w/box	6"	2 EA	280.00	560.00
7. Fire hydrant assemble		5 EA	1,200.00	6,000.00
8. Single Water service		3 EA	120.00	360.00
9. Double Water service		33 EA	200.00	6,600.00
10. Chlorination & testing		1 LS	728.00	728.00

*3516*  
*5953.6*  
*16-1*  
*1817*  
*16-1*  
*1817*  
*16-1*  
*1817*  
*16-1*  
*1817*  
*16-1*  
*1817*

Total \$59,683.50

*80* *35890*

*16-1*  
*1817*

*16-1*  
*1-3P3*

CONTRACTOR'S CERTIFICATION

On this 20 day of February, 1990, the UNDERSIGNED (hereinafter referred to as "CONTRACTOR") HEREBY CERTIFIES to GULF UTILITY COMPANY, Post Office Box 390, Estero, Florida 33928, (hereinafter referred to as "OWNER") the following:

WAIVER OF LIEN

All labor employed, material purchased, equipment hired, fees, licenses, insurances and taxes of every description have been paid in full and there are no liens outstanding for said project. Contractor further certifies that he will indemnify and save harmless the Owner from any and all manner of claims, liens, suits, loss, or damage arising by virtue of Contractor or Contractor's subcontractors or suppliers.

WARRANTY AND GUARANTEE

If within one year after the date of acceptance by Owner or such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Project Engineer, any work is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions, either correct such defective work or, if it has been rejected by Owner, remove it from the site and replace it with nondefective work. If Contractor does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective work corrected or the rejected work removed and replaced, and all direct and indirect costs of such removal and replacement, including compensation for additional professional services, shall be paid by Contractor.

INDEMNIFICATION

The Contractor shall indemnify and hold harmless the Owner against all claims, damages, losses and expenses, including, but not limited to, attorney's fees, arising out of or resulting from negligent acts, errors or omissions of the Contractor where the claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or injury to or destruction of tangible property, including loss of use resulting therefrom.

COST AND MATERIAL

A detailed accounting of total cost and quantities of material used in this project, per as-built and record drawings, is attached and made a part of this certification.

THE UNDERSIGNED person, or persons, is authorized to represent the company, corporation, representative or individual (Contractor) and binds himself, his partners, successors, executors, administrators, assigns and legal representatives to the above.

Caloosa Trace

PROJECT NAME OF WATER AND/OR WASTEWATER SYSTEM

Ledo Lines Inc.

CONTRACTOR

4461 Hancock Bridge Parkway

North Fort Myers, Florida 33903

Address

worn to and subscribed before me this

20 day of February

By:

*Wayne R. Wolfarth*

Wayne R. Wolfarth, Vice-President  
Name and Title

9 90

*[Signature]*

5/20/84

16-1  
1-3 p 4

TOTAL COST AND QUANTITIES

THIS IS A WATER \_\_\_\_\_ AND/OR WASTEWATER \_\_\_\_\_ SYSTEM PROJECT NAME: Caloosa Trace

Instructions: Describe each item separately by size, quantity, unit price and total cost. Services, fire meter vaults, pumping stations, etc., may be lump sum totals; however, include full description and quantity installed for each category.

ITEM DESCRIPTION	SIZE	QUANTITY	UNIT COST	TOTAL
1. SDR 35 Sewer 0'-6'	8"	703 LF	\$ 7.00	\$ 4,921.00
2. SDR 35 Sewer 6'-8'	8"	1,036 LF	9.00	9,324.00
3. SDR 35 Sewer 8'-10'	8"	610 LF	12.00	7,320.00
4. SDR 35 Sewer 10'-12'	8"	1,738 LF	14.00	24,332.00
5. SDR 35 Sewer 12' & over	8"	277 LF	17.00	4,709.00
6. Manholes 0'-6'	4'	4 EA	500.00	2,000.00
7. Manholes 6'-8'	4'	3 EA	600.00	1,800.00
8. Manholes 8'-10'	4'	2 EA	900.00	1,800.00
9. Manholes 10'-12'	4'	6 EA	1,000.00	6,000.00
0. Manholes 12' & over	4'	1 EA	1,100.00	1,100.00
1. Lift station		1 LS	22,419.00	22,419.00
2. C900 PVC CL100 FM	4'	900 LF	3.00	2,700.00
3. Electronic markers		40 EA	9.00	360.00
4. Single sewer service		4 EA	100.00	400.00
5. Double sewer service		33 EA	110.00	3,630.00
Total				\$92,815.00

(A)

2,700  
16-1  
2 ps

16-1/2 ps  
16-1/2 ps

4030  
16-1/2 ps  
p8

(A)

16-1  
2 ps  
16-1  
2 ps

**EXHIBIT NO. : WTR-3**

**WITNESS: WILLIAM TROY RENDELL**

**DOCKET NO. : 960329-WS**

**Application for rate increase by**

**GULF UTILITY COMPANY**

**BEFORE THE  
FLORIDA PUBLIC SERVICE  
COMMISSION**

**DESCRIPTION:**

**GULF UTILITY COMPANY  
APPROVED WATER AND WASTEWATER  
SERVICE AVAILABILITY TARIFFS**

WATER TARIFF

GULF UTILITY COMPANY  

---

NAME OF COMPANY

FILED WITH  
FLORIDA PUBLIC SERVICE COMMISSION

FOURTH REVISED SHEET NO. 1.0  
CANCEL THIRD REVISED SHEET NO. 1.0  
CANCEL SECOND REVISED SHEET NO. 1.0

WATER TARIFF

GULF UTILITY COMPANY  
NAME OF COMPANY

P.O. Box 350

Essex

Florida 33928-0350  
(ADDRESS OF COMPANY)

(941) 498-1000                      (941) 498-1000  
(Business & Emergency Telephone Numbers)

FILED WITH  
FLORIDA PUBLIC SERVICE COMMISSION

James W. Moore  
ISSUING OFFICER

President  
TITLE

NAME OF COMPANY GULF UTILITY COMPANY

WATER TARIFF

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James W. Moore  
ISSUING OFFICER

President  
TITLE

NAME OF COMPANY GULF UTILITY COMPANY  
 WATER TARIFF

INDEX OF SERVICE AVAILABILITY

	<u>SHEET NUMBER</u>	<u>RULE NUMBER</u>
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Connection Fees . . . . .	33.0	6.0
General . . . . .	32.0	1.0
Guaranteed Revenues . . . . .	34.0	10.0
Inspection Fees . . . . .	33.0	8.0
Inspection of Plumber's Hook-Up . . . . .	34.0	9.0
Off-Site Facilities . . . . .	32.0	4.0
On-Site Facilities . . . . .	32.0	3.0
Refundable Deposits . . . . .	32.0	5.0
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James W. Moore  
 ISSUING OFFICER  
 President  
 TITLE

NAME OF COMPANY GULF UTILITY COMPANY

WATER TARIFF

SERVICE AVAILABILITY POLICY

1.0 GENERAL

The Utility adopts and incorporates herein by reference, Part IX, Chapter 25-10, Florida Administrative Code (F.A.C.), promulgated under Florida Public Service Commission Order No. 6395.

2.0 AVAILABILITY

The provisions of this policy are available throughout the territory subject to matters of economic feasibility as defined by Rule 25-30.515(7), F.A.C.

3.0 ON-SITE FACILITIES

On-site transmission, distribution, and other water and sewer facilities will be provided by the Contributor pursuant to the requirements and specifications of the Utility. Service to facilities outside the point of delivery as defined by Rule 25-10.15(8), F.A.C., shall be conveyed to the Utility by a bill of sale together with perpetual rights-of-way and easements for appropriate access to facilities as well as complete as-built plans for all such lines and facilities together with accurate cost records establishing the construction costs of all Utility facilities as a condition precedent to their acceptance by the Utility and the initiation of service.

4.0 OFF-SITE FACILITIES

Off-site transmissions and distribution systems shall be provided by the Contributor in accordance with the Utility's specifications and conveyed to the Utility by bill of sale with necessary maintenance and replacement easements and rights-of-way together with as-built drawings of the facilities and accurate cost records establishing the construction cost of the facilities, to include material, labor, engineering, administrative, and other related costs, as a condition precedent to their acceptance by the Utility and the initiation of service.

5.0 REFUNDABLE DEPOSITS

If the off-site or on-site facilities can serve other areas than those of the contributor, the service company may require that they be oversized to enable service to be provided to additional territory and that the contributor advance the cost of such oversized facilities. So much of the cost as exceeds the hydraulic share of the Contributor will be refunded by the Utility as refundable advances over a period not to exceed seven years, from extension fees paid by other Contributor's connecting to the main or mains in accordance with their hydraulic share.

James W. Moore  
ISSUING OFFICER

President  
TITLE

NAME OF COMPANY GULF UTILITY COMPANY  
 ER TARIFF

6.0 CONNECTION FEES

In addition to the foregoing fees, Developers shall pay connection fees as follows:

WATER PLANT capacity charges

Residential = \$800.00 per ERC  
 General Service = \$2.02 per  
 gallon of anticipated  
 daily demand.

ERC = 396 gallons per day

SEWER PLANT capacity charges

Residential = \$550.00 per ERC  
 General Service = \$2.20 per  
 gallon of anticipated  
 daily demand.

ERC = 250 gallons per day

6.1 CONDITION REGARDING RECEIPT OF CONTRIBUTIONS IN AID OF CONSTRUCTION

The service availability fees are granted on the express condition that the Utility agree as a condition precedent to implementation of the service availability rules and policy, that any contributions-in-aid-of-construction, including contributions of lines by developers, homeowners, or from any source whatsoever, or any assets that are received by the Utility other than those from Utility funds invested therein or capital investment by the company stockholders, from and after the effective date hereof, will be received by the Utility and will be held and operated solely for the use and benefit of its customers.

7.0 WATER METER INSTALLATION CHARGES

The Utility will require prior to the commencement of water service, that the following schedule of connection charges be paid to the Utility as a prerequisite for service per meter required. The Utility will charge only those customer connection charges necessary to connect a particular customer to the system.

<u>Meter Size</u>	<u>Meter Installation Charge</u>
5/8" x 3/4"	\$ 115.00*
3/4"	115.00*
1"	164.00*

1-1/2" and greater

Actual Cost

\* Includes the cost of a back-flow prevention device.

Customer Connection Charges

Jack and Bore for single service	\$240.00
Jack and Bore for double service	120.00
Main tap	95.00
Lee County DOT Permit	30.00

Water meters 1-1/2" and greater will be installed pursuant to agreement between Contributor and the Utility, at the Utility's cost, to be paid by Contributor.

8.0 INSPECTION FEES

Engineering plans or designs for, or construction of facilities by a Contributor which are to become a part of Utility's system will be subject to review and inspection

Effective Date: June 16, 1995

JAMES W. MOORE  
 ISSUING OFFICER

Type of Filing: Docket No. 950237-WS

Correction

President  
 TITLE

ORIGINAL SHEET NO. 34.0

CANCELS FIRST REVISED SHEET NO. 27.5

CANCELS FIRST REVISED SHEET NO. 27.6

NAME OF COMPANY GULF UTILITY COMPANY

## WATER TARIFF

by the Utility. For this service, Utility may charge an inspection and plan review fee based upon the actual or average cost of the Utility for review of plans and inspection of facilities constructed by Contributor for independent contractors for connection with the facilities of the Utility. Such inspection fees shall be paid by a Contributor in addition to all other charges above stated, as a condition precedent to service.

9.0 INSPECTION OF PLUMBER'S HOOK-UP

It shall be the responsibility of the Contributor or its plumbing contractor to connect Contributor's plumbing installation with the sewage collection system. The Utility reserves the right to inspect all such connections to be assured that the same are properly made in accordance with the Utility's rules governing such connections and that the connection as made, is free from infiltration.

The Contributor shall notify the Utility of any proposed interconnection with the facilities of the Utility and connection may be made without the presence of the Utility inspector. However, such connection shall remain open until inspection by the Utility and until notice of the approval of such connection is furnished to the developer in accordance with the practices and procedures of the Utility. Any connection covered without the benefit of inspection will result in the Contributor being required to reopen the connection for subsequent inspection. If the Utility fails to inspect the connection within 48 hours after notice that the same is ready for inspection, the connection shall be deemed approved by the Utility.

10.0 GUARANTEED REVENUES - Replaced by AFPI, Sheet No. 25.0

That not less than ten days before the day upon which a Contributor's on-site water and sewer system is accepted by the Utility and on each anniversary thereafter until all plant capacity reserved for the Contractor is serving a customer, or consumer, Contributor shall pay to the Utility the sum of money which is equal to the minimum rate for water service and the applicable rate for sewer service for each residential equivalent connection to be served for a period of one calendar year in advance. As customers, as defined by Technical Term 11.0 of the Rules and Regulations are added to the system, appropriate guaranteed revenue charges will be deducted from the amount paid by the Contractor and refunded by the Utility to the Contractor at the end of one year from the date of payment of the guaranteed revenue deposit.

Finally, if the Contributor shall refuse or fail to pay the money required by this paragraph, the agreement for reservation by the Utility for the Contributor shall be void and no capacity shall be reserved for such Contributor.

11.0 RESERVE CAPACITY CHARGE

If authorized by the Florida Public Service Commission pursuant to Order and under such terms and conditions as prescribed therein, the Utility may enter into an agreement with a Contributor requiring Contributor to pay a minimum guaranteed connection charge, based upon the demand to be placed upon the Utility's system. Such agreement will be applicable in those instances where the Utility is required to proceed with the construction of an expansion of its water or sewage treatment facilities in order to assure the Contributor that there will be available sufficient plant capacity.

James W. Moore  
ISSUING OFFICER

President  
TITLE

NAME OF COMPANY GULF UTILITY COMPANY

WATER TARIFF

12.0 SERVICE OUTSIDE TERRITORY

Providing service outside the Utility's territory involves formal notice and formal proceedings before the Florida Public Service Commission and therefore entails engineering, administrative and legal expenses in addition to costs incurred by the Utility providing service within its territory. The Utility will therefore not be obligated to provide service outside the territory unless the Contributor agrees, in advance, to defray those initial expenses and to pay the estimated costs thereof. The advancement will be adjusted to conform with actual expenses after the proceedings have been completed. The Utility will further make such extensions outside the territory only if the extensions and treatment plant reservation or expansion to serve such extensions are economically feasible as defined by Rule 25-10.121(9), F.A.C.

13.0 ADJUSTMENT PROVISIONS

Governmental Authority: The charges set forth in this policy and contracts drawn pursuant thereto are subject to adjustment by appropriate action of the governmental agency having jurisdiction of this policy, whether upon the initiative of the governmental agency or by request of the Utility.

James W. Moore  
ISSUING OFFICER

President  
TITLE

**WASTEWATER TARIFF**

**GULF UTILITY COMPANY**  
-----  
**NAME OF COMPANY**

**FILED WITH**  
**FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY GULF UTILITY COMPANY  
WASTEWATER TARIFF

THIRD REVISED SHEET NO. 2.0  
CANCELS SECOND REVISED SHEET NO. 2.0

WASTEWATER TARIFF

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James W. Moore  
ISSUING OFFICER

President  
TITLE

SECOND REVISED SHEET NO. 23.0

CANCELS FIRST REVISED SHEET NO. 23.0

NAME OF COMPANY GULF UTILITY COMPANY

SEWATER TARIFF

INDEX OF SERVICE AVAILABILITY

	<u>SHEET NO.</u>	<u>RULE NO.</u>
Adjustment Provisions . . . . .	30.3	13.0
Availability . . . . .	30.0	2.0
Condition Regarding Receipt of Contributions in Aid of Construction . . . . .	30.1	6.1
Connection Fees . . . . .	30.1	6.0
General . . . . .	30.0	1.0
Guaranteed Revenues . . . . .	30.2	10.0
Inspection Fees . . . . .	30.2	8.0
Inspection of Plumber's Hook-Up . . . . .	30.2	9.0
Off-Site Facilities . . . . .	30.0	4.0
On-Site Facilities . . . . .	30.0	3.0
Refundable Deposits . . . . .	30.0	5.0
Reserve Capacity Charge . . . . .	30.2	11.0
Service Outside Territory . . . . .	30.3	12.0
Tax Impact of CIAC . . . . .	30.4	N/A
Water Meter Installation Charges . . . . .	30.1	7.0

James W. Moore  
ISSUING OFFICER

President  
TITLE

CANCELS SECOND REVISED SHEET NO. 23.2  
CANCELS FIRST REVISED SHEET NO. 23.2  
CANCELS FIFTH REVISED SHEET NO. 23.3

NAME OF COMPANY GULF UTILITY COMPANY

MASTEWATER TARIFF

SERVICE AVAILABILITY POLICY

1.0 GENERAL

The Utility adopts and incorporates herein by reference, Part IX, Chapter 25-10, Florida Administrative Code (F.A.C.), promulgated under Florida, Public Service Commission Order No. 6395.

2.0 AVAILABILITY

The provisions of this policy are available throughout the territory subject to matters of economic feasibility as defined by Rule 25-30.515(7), F.A.C.

3.0 ON-SITE FACILITIES

On-site transmission, distribution, and other water and sewer facilities will be provided by the Contributor pursuant to the requirements and specifications of the Utility. Service to facilities outside the point of delivery as defined by Rule 25-10.15(8), F.A.C., shall be conveyed to the Utility by a bill of sale together with perpetual rights-of-way and easements for appropriate access to facilities as well as complete as-built plans for all such lines and facilities together with accurate cost records establishing the construction costs of all Utility facilities as a condition precedent to their acceptance by the Utility and the initiation of service.

4.0 OFF-SITE FACILITIES

Off-site transmissions and distribution systems shall be provided by the Contributor in accordance with the Utility's specifications and conveyed to the Utility by bill of sale with necessary maintenance and replacement easements and rights-of-way together with as-built drawings of the facilities and accurate cost records establishing the construction cost of the facilities, to include material, labor, engineering, administration, and other related costs, as a condition precedent to their acceptance by the Utility and the initiation of service.

5.0 REFUNDABLE DEPOSITS

If the off-site or on-site facilities can serve other areas than those of the Contributor, the service company may require that they be oversized to enable service to be provided to additional territory and that the Contributor advance the cost of such oversize facilities. So much of the cost as exceeds the hydraulic share of the Contributor will be refunded by the Utility as refundable advances over a period not to exceed seven years, from extension fees paid by other Contributors connecting to the main or the mains in accordance with their hydraulic share.

(Continued to Sheet No. 23.3)

James W. Moore  
ISSUING OFFICER

President  
TITLE

EIGHTH REVISED SHEET NO. 23.3  
 CANCELS SEVENTH REVISED SHEET NO. 23.3  
 CANCELS SIXTH REVISED SHEET NO. 23.3  
 CANCELS FIFTH REVISED SHEET NO. 23.3  
 CANCELS FIRST REVISED SHEET NO. 23.4

NAME OF COMPANY GULF UTILITY COMPANY

WASTEWATER TARIFF  
 (Continued from Sheet no. 23.2)

6.0 CONNECTION FEES

In addition to the foregoing fees, Developers shall pay connection fees as follows:

WATER PLANT capacity charges

Residential - \$800.00 per ERC  
 General Service - \$2.02 per  
 gallon of anticipated  
 daily demand.

ERC = 396 gallons per day

SEWER PLANT capacity charges

Residential - \$550.00 per ERC  
 General Service - \$2.20 per  
 gallon of anticipated  
 daily demand.

ERC = 250 gallons per day

6.1 CONDITION REGARDING RECEIPT OF CONTRIBUTIONS IN AID OF CONSTRUCTION

The service availability fees are granted on the express condition that the Utility agree as a condition precedent to implementation of the service availability rules and policy, that any contributions-in-aid-of-construction, including contributions of lines by developers, homeowners, or from any source whatsoever, or any assets that are received by the Utility other than those from Utility funds invested therein or capital investment by the company stockholders, from and after the effective date hereof, will be received by the Utility and will be held and operated solely for the use and benefit of its customers.

7.0 WATER METER INSTALLATION CHARGES

The Utility will require prior to the commencement of water service, that the following schedule of connection charges be paid to the Utility as a prerequisite for service per meter required. The Utility will charge only those customer connection charges necessary to connect a particular customer to the system.

<u>Meter Size</u>	<u>Meter Installation Charge</u>
5/8" x 3/4"	\$ 115.00*
3/4"	115.00*
1"	164.00*

1-1/2" and greater

Actual Cost

\* Includes the cost of a back-flow prevention device.

Customer Connection Charges

Jack and Bore for single service	\$240.00
Jack and Bore for double service	120.00
Main tap	95.00
Lee County DOT Permit	30.00

Water meters 1-1/2" and greater will be installed pursuant to agreement between Contributor and the Utility, at the Utility's cost, to be paid by Contributor.

8.0 INSPECTION FEES

Engineering plans or designs for, or construction of facilities by a Contributor which are to become a part of Utility's system will be subject to review and inspection.

(Continued to Sheet No. 23.4)

James W. Moore  
 ISSUING OFFICER

Effective Date: June 16, 1995

Type of Filing: Docket No. 950237-WS  
 Correction

President  
 TITLE

THIRD REVISED SHEET NO. 23.4

CANCELS SECOND REVISED SHEET NO. 23.4

CANCELS FIRST REVISED SHEET NO. 23.4

CANCELS FIRST REVISED SHEET NO. 23.5

CANCELS SECOND REVISED SHEET NO. 23.6

NAME OF COMPANY GULF UTILITY COMPANY

## WASTEWATER TARIFF

(Continued from Sheet No. 23.3)

9.0 INSPECTION FEES

Engineering plans or designs for, or construction of facilities by a Contributor which are to become a part of Utility's system will be subject to review and inspection by the Utility. For this service, Utility may charge an inspection and plan review fee based upon the actual or average cost of the Utility for review of plans and inspection of facilities constructed by Contributor for independent contractors for connection with the facilities of the Utility. Such inspection fees shall be paid by a Contributor in addition to all other charges above stated, as a condition precedent to service.

9.0 INSPECTION OF PLUMBER'S HOOK-UP

It shall be the responsibility of the Contributor or its plumbing contractor to connect Contributor's plumbing installation with the sewage collection system. The Utility reserves the right to inspect all such connections to be assured that the same are properly made in accordance with the Utility's rules governing such connections and that the connection as made, is free from infiltration.

The Contributor shall notify the Utility of any proposed interconnection with the facilities of the Utility and connection may be made without the presence of the Utility inspector. However, such connection shall remain open until inspection by the Utility and until notice of the approval of such connection is furnished to the developer in accordance with the practices and procedures of the Utility. Any connection covered without the benefit of inspection will result in the Contributor being required to expose the connection for subsequent inspection. If the Utility fails to inspect the connection within 48 hours after notice that the same is ready for inspection, the connection shall be deemed approved by the Utility.

10.0 RESERVE CAPACITY CHARGE

If authorized by the Florida Public Service Commission pursuant to Order and under such terms and conditions as prescribed therein, the Utility may enter into an agreement with a Contributor requiring Contributor to pay a minimum guaranteed connection charge, based upon the demand to be placed upon the Utility's system. Such agreement will be applicable in those instances where the Utility is required to proceed with the construction of an expansion of its water or sewer treatment facilities in order to assure the contributor that there will be available sufficient plant capacity.

11.0 SERVICE OUTSIDE TERRITORY

Providing service outside the Utility's territory involves formal notice and formal proceedings before the Florida Public Service Commission and therefore entails engineering, administrative and legal expenses in addition to costs incurred by the Utility providing service within its territory. The Utility will therefore not be obligated to provide service outside the territory unless the Contributor agrees in advance to defray those initial expenses and to pay the estimated costs thereof. The advancement will be adjusted to conform with actual expenses after the proceedings have been completed. The Utility will further make such extensions outside the territory only if the extensions and treatment plant reservation or expansion to service such extensions are economically feasible as defined by Rule 25-10.121(9), F.A.C.

James W. Moore

ISSUING OFFICER

President

TITLE

NAME OF COMPANY GULF UTILITY COMPANY

THIRD REVISED SHEET NO. 23.5  
CANCELS SECOND REVISED SHEET NO. 23.5  
CANCELS FIRST REVISED SHEET NO. 23.5  
CANCELS SECOND REVISED SHEET NO. 23.6  
CANCELS THIRD REVISED SHEET NO. 23.7

**WASTEWATER TARIFF**

(Continued from Sheet No. 23.4)

12.0 ADJUSTMENT PROVISIONS

Governmental Authority: The charges set forth in this policy and contracts drawn pursuant thereto are subject to adjustment by appropriate action of the governmental agency having jurisdiction of this policy, whether upon the initiative of the governmental agency or by request of the Utility. (Rule 25-10.141, F.A.C.)

James W. Moore

ISSUING OFFICER

President

TITLE