

State of Florida



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

COMMISSION  
CLERK

19 AUG 18 AM 8:48

RECEIVED FPSC

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**DATE:** August 18, 2003  
**TO:** Blanca Bayo, Commission Clerk and Administrative Services Director  
**FROM:** Sam Merta, Professional Accountant Specialist *SM*  
**RE:** Escrow Agreement for Residential Water Systems, Inc., Docket No. 030423-WU

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Please sign the Escrow Agreement for Residential Water Systems, Inc. and return it to Regions Bank in the attached envelope. Ralph Jaeger, Office of General Counsel, has reviewed and approved the Agreement. In addition, please make a copy of the executed Agreement for my file and return it to me.

Thank you.

DOCUMENT NUMBER-DATE

07677 AUG 19 8

FPSC-COMMISSION CLERK



Dear Mr. Merta:

Enclosed you will find the original Escrow Agreement for Residential Water Systems, Inc. The Agreement needs to be signed and returned to Regions Bank in the enclosed envelope. Included you will also find the signature card and resolution for the account opened with the bank. Blanca Bayo's signature is required on the documents and these also need to be returned to the bank.

If you have any questions, please call me at Regions Bank, East Ocala Office, 352-732-0072.

Thank you,  
Denisse Nieves  
Customer Service

RECEIVED  
CUSTOMER SERVICE  
03 AUG 15 AM 10:30  
ECONOMIC REGULATION  
DEPARTMENT OF

## ESCROW AGREEMENT

**THIS ESCROW AGREEMENT is made by and between Regions Bank (the “Bank”), the Florida Public Service Commission (“FPSC”), and Residential Water Systems, Inc. (“the Utility”), a Florida corporation, upon the following terms, conditions, and considerations;**

### WITNESSETH:

**WHEREAS, by Order No. PSC-03-0709-PCO-WU, issued June 13, 2003, the FPSC authorized the Utility to continue collecting its previously authorized rates on a temporary basis from its customers; and,**

**WHEREAS, by Order No. PSC-03-0709-PCO-WU, the Utility is required to provide security for the excess of its previously authorized rates over the final authorized rates in this docket in the event that a refund should become necessary; and,**

**WHEREAS, the Bank has agreed to hold such funds in an interest bearing account, the parties agree as follows:**

- 1. The foregoing representations are true and correct.**
- 2. The escrow account established hereunder is established at the direction of the FPSC for the purpose set forth above.**
- 3. The Utility shall open a joint interest bearing escrow account. 6.18% of the Utility’s water revenues per month shall be deposited by the Utility in accordance with Order No. PSC-03-0709-PCO-WU.**
- 4. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt by the Utility.**
- 5. The escrow account shall bear interest at current market rates.**
- 6. No funds will be withdrawn from the escrow account without the prior approval of both the Director of the Commission Clerk and Administrative Services of the FPSC and the Utility. Signature cards executed by the Director of the Commission Clerk and Administrative Services of the FPSC and the Utility shall designate the appropriate authorized signature for each.**

7. **The Bank shall forward regular monthly statements (including canceled checks) to the Utility and shall mail a copy of the monthly account statement to the Director of the Commission Clerk and Administrative Services of the FPSC.**
8. **The Bank may, without reason, withdraw from this Agreement upon thirty (30) days written notice to the FPSC and to the Utility.**
9. **The Utility shall indemnify and hold the Bank harmless from any claim, demand, or loss suffered by the Bank, and the cost thereof (including court costs and attorney fees for negotiation, trial and appeal).**
10. **If a refund to the Utility's customers is required, all interest earned on the escrow account shall be distributed to the customers.**
11. **If a refund to the Utility's customers is not required, the interest earned on the escrow account shall revert to the Utility.**
12. **Information concerning the escrow account shall be available from the Bank to the FPSC and its representatives at all times.**
13. **Pursuant to Consentino v. Elson, 263 So.2d 253 (Fla. 3<sup>rd</sup> DCA 1972), escrow accounts are not subject to garnishment.**

**THIS AGREEMENT shall become effective and binding upon all parties upon the date that it becomes executed by all parties.**

**UTILITY:**

**RESIDENTIAL WATER SYSTEMS, INC.**

  
**Charles deMenzes**  
**President**

**(Corporate Seal)**

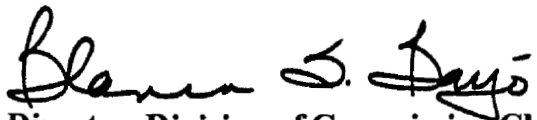
**BANK:**

**(Corporate Seal)**

**BY:**

**FLORIDA PUBLIC SERVICE COMMISSION**

**(Seal)**

**BY:**   
**Director, Division of Commission Clerk  
And Administrative Services**



New Account

Account Number \_\_\_\_\_ DDA  
Bank Name: **Inverness**  
Account Title/Name: **Residential Water Systems, Inc.**  
Escrow Agreement

CORPORATION Date: **08/11/2003** TIN: **592393057**

**REDACTED**

	SIGNATURES	TITLE	FACSIMILE SIGNATURES
1.		Charles deMenzes	signer
2.		Blanca Bayo	signer
3.	_____		
4.	_____		

By signing above, I/we acknowledge receiving and agree to the customer agreement and related disclosures for this account.

**Special Instructions**

	<u>Signer/Countersigner</u>	<u>Must be a signer</u>	<u>Can sign under \$ Only</u>	<u>Can sign over \$</u>
Charles deMenzes	S	Y		
Blanca Bayo	S	Y		

Under penalties of perjury, I certify that

- (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- (3) I am a U.S. person (including a U.S. resident alien).

You must cross out item 2 above if you are subject to backup withholding. Contributions to a REA account do not require certification but you must provide your correct TIN.

Signature

Name and Address of Organization: <b>Residential Water Systems, Inc.</b>  <b>PO BOX 5220</b>  <b>OCALA FL 34478-</b>	Resolutions of: <input type="checkbox"/> Board of Directors <input type="checkbox"/> Board of Trustees <input type="checkbox"/> Members and Managers <input type="checkbox"/> Partners <input checked="" type="checkbox"/> Other: <u>agreement</u>	Type of Organization: <b>Corporation</b>  Federal Tax I.D. Number: <b>59-2393057</b>  Account Number(s): [REDACTED]  Date: <b>08/11/2003</b>
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I hereby certify that the following resolutions were unanimously adopted, approved, and confirmed by the Organization at a meeting of the Resolving Panel held on the date set forth above, which was duly noticed and attended by a quorum of such persons, or conducted pursuant to a waiver of notice and unanimous consent to action in lieu thereof:

**RESOLVED**, that the Bank is hereby designated as a depository of this Organization and that one or more deposit accounts be opened and maintained on behalf of this Organization with the Bank and that this Organization shall be bound by the terms and conditions of the deposit agreement applicable to each such account;

**RESOLVED**, that all drafts, checks and other items for the payment of money from the accounts identified above shall be signed as follows. Any 2 of the below signatures are necessary to validate checks

1. Charles deMenzes signer  
Name Title
2. Blanca Bayo signer  
Name Title
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

*[Handwritten Signature]*  
 Charles de Menzes  
 Signature

and the Bank is further authorized to honor and charge the Organization for all drafts, checks and other items drawn in the Organization's name when bearing or purporting to bear facsimile signature(s) of the person(s) identified above, regardless of by whom or by what means the facsimile signature(s) may have been affixed, and the Organization assumes all risks involved in the use of this mechanical or electronic form of signature and assumes all responsibility therefor;

**RESOLVED**, that, notwithstanding any restriction requiring more than one signature, any one of the persons identified above may make withdrawals or transfers from a deposit account by electronic or oral instructions, and the Bank is authorized to honor such instructions;

**RESOLVED**, that the Bank is authorized to honor all drafts, checks or other items or instructions for payment or transfer from a deposit account even though drawn, endorsed or otherwise payable to a person identified above, and whether presented for cash or for credit to the account of that person or another person, or in payment of any individual obligation of that person or another person, and the Bank need make no inquiry concerning such withdrawals or dispositions of the money, items or credit given therefor;

**RESOLVED**, that endorsements for deposit may be made of any one of the persons identified above or may be evidenced by the name of the Organization being written or stamped on the item or instrument deposited, without designation of the person making the endorsement, and the Bank is authorized to supply any endorsement on any item or instrument tendered for deposit or collection;

**RESOLVED**, that this Organization may from time to time enter into operating, cash management, funds transfer, night depository, safe deposit box, and other agreements relating to deposit accounts with the Bank, and that any of the persons identified above, or any member of the Resolving Panel or officer of the Organization may execute any such agreements and bind the Organization to the terms thereof;

**RESOLVED**, that any and all acts authorized pursuant to these resolutions and performed prior to the passage of these resolutions are hereby ratified and approved;

**RESOLVED**, that any officer of the Organization or any member of the Resolving Panel is authorized to certify these resolutions, which shall supersede all resolutions of like tenor previously furnished to the Bank; and

**RESOLVED**, that these resolutions will continue in full force and effect and shall remain irrevocable as far as the Bank is concerned until the Bank has a reasonable time to act upon written notice from the Resolving Panel of the Organization that rescinds the authority herein granted, which shall have prospective effect only.

I further certify that I am a person authorized to make the certifications herein and that the foregoing is a complete and correct copy of the resolutions duly adopted by the Organization and affirmatively appearing in the permanent records of the Organization.

I further certify that there is no provision within the articles of incorporation, the by-laws, the articles of organization, the operating agreement, the partnership agreement, or other governing document of the Organization, whichever of the foregoing instruments is application, that either restricts the passing of the foregoing resolutions or prevents me from executing this certification, and that these acts were and are duly approved and authorized in conformity with the governing documents and applicable law.

I further certify that the foregoing resolutions (i) have not been modified, amended or rescinded (ii) are in full force and effect, and (iii) are binding upon the Organization.

I further certify that the Organization is duly organized, validly existing and in good standing under the laws governing its creation and existence, and is duly registered in all states in which it does business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Organization, if any, on the date first set forth above.

[AFFIX SEAL]  (if none, so state: _____ )	<u>Charles de Menzes</u> Signature <u>Charles de Menzes</u> Name (Please Print) <u>Signer</u> Title
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**FOR BANK USE ONLY**

Banking Center: \_\_\_\_\_

Received By: \_\_\_\_\_

Other: \_\_\_\_\_