

**ORIGINAL**

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January 14, 2005

Ms. Blanca Bayo, Director  
Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**HAND DELIVERY**

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Re: Docket No. 000694-WU  
Staff's First and Second Data Requests

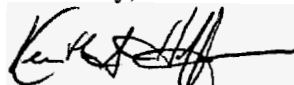
Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket on behalf of Water Management Services, Inc. ("WMSI") are an original and five copies of the information and documents requested by the Commission Staff in: (1) Item 1 of the Staff's December 9, 2004 First Data Request; and (2) Staff's December 16, 2005 Second Data Request. Copies of the enclosed documents have been provided to the Office of Public Counsel.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.


Thank you for your assistance with this filing.

Sincerely,

  
Kenneth A. Hoffman

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_ KAH/rl
- OPC \_\_\_\_\_ Enclosures
- MMS \_\_\_\_\_ cc: Adrienne Vining, Esq.
- RCA \_\_\_\_\_ Stephen C. Reilly, Esq.
- SCR \_\_\_\_\_ Gene Brown, Esq.
- SEC 1
- OTH \_\_\_\_\_

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**DOCKET NO. 000694-WS**

**WATER MANAGEMENT SERVICES, INC.'S  
RESPONSE TO STAFF'S FIRST DATA REQUEST,  
ITEM NO. 1**

Water Management Services, Inc.  
Docket No. 000694-WU

### Response to Staff's First Data Request

Please provide billing analyses for the utility's residential customers for the test year ended June 30, 2004. These billing analyses should be performed by meter size in a format consistent with Minimum Filing Requirements Schedule E-4. In addition, please ensure that the annual total gallons sold per meter size during the test year matches the corresponding totals that result from adding the consumption figures contained on monthly bills, gallons and revenue reports filed by the utility with the Florida Public Service Commission during the test year.

Response:

See attached schedules for residential meter size R1 – 5/8” meter and R2 – 1” meter. The comparative results with reported customers and gallons are:

Meter Size: R1 – 5/8” meter

	Bills	Gallons (000)
As reported:	19,578	148,820
Billing Analysis:	19,800	149,076
Difference	222	256
Pct. Diff.	1.13%	0.17%

Meter Size: R2 – 1” meter

	Bills	Gallons (000)
As reported:	383	5,755
Billing Analysis:	388	5,767
Difference	5	12
Pct. Diff.	1.30%	0.21%

It should be noted, that after the test year, six R2 customers were reclassified to general service. They represented 72 bills and 1,705 mg. Attached is a billing analysis for the R2 – 1” meter size restated to reflect the removal of these customers. For purposes of analyzing consumption for conservation rates, the restated analysis is a better indicator of future use.

Water Management Services, Inc.  
Docket No. 000694-WU  
Billing Analysis - Response to Staff's Data Request No.1

Meter Size	R1 - 5/8"
Test Period	Jul-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Gallons Consumed (1) * (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)*(6)]+(5)	Percentage of Total
0	3639	3639	0	0	16161	0	0.00%
1	2272	5911	2,272	2272	13889	16,161	10.84%
2	2019	7930	4,038	6310	11870	30,050	20.16%
3	1857	9787	5,571	11881	10013	41,920	28.12%
4	1546	11333	6,184	18065	8467	51,933	34.84%
5	1290	12623	6,450	24515	7177	60,400	40.52%
6	972	13595	5,832	30347	6205	67,577	45.33%
7	734	14329	5,138	35485	5471	73,782	49.49%
8	670	14999	5,360	40845	4801	79,253	53.16%
9	540	15539	4,860	45705	4261	84,054	56.38%
10	432	15971	4,320	50025	3829	88,315	59.24%
11	362	16333	3,982	54007	3467	92,144	61.81%
12	327	16660	3,924	57931	3140	95,611	64.14%
13	270	16930	3,510	61441	2870	98,751	66.24%
14	229	17159	3,206	64647	2641	101,621	68.17%
15	211	17370	3,165	67812	2430	104,262	69.94%
16	200	17570	3,200	71012	2230	106,692	71.57%
17	173	17743	2,941	73953	2057	108,922	73.06%
18	158	17901	2,844	76797	1899	110,979	74.44%
19	134	18035	2,546	79343	1765	112,878	75.72%
20	139	18174	2,780	82123	1626	114,643	76.90%
21	119	18293	2,499	84622	1507	116,269	77.99%
22	105	18398	2,310	86932	1402	117,776	79.00%
23	98	18496	2,254	89186	1304	119,178	79.94%
24	88	18584	2,112	91298	1216	120,482	80.82%
25	75	18659	1,875	93173	1141	121,698	81.63%
26	62	18721	1,612	94785	1079	122,839	82.40%
27	68	18789	1,836	96621	1011	123,918	83.12%
28	64	18853	1,792	98413	947	124,929	83.80%
29	67	18920	1,943	100356	880	125,876	84.44%
30	50	18970	1,500	101856	830	126,756	85.03%
31	43	19013	1,333	103189	787	127,586	85.58%
32	33	19046	1,056	104245	754	128,373	86.11%
33	29	19075	957	105202	725	129,127	86.62%
34	36	19111	1,224	106426	689	129,852	87.10%
35	35	19146	1,225	107651	654	130,541	87.57%
36	35	19181	1,260	108911	619	131,195	88.01%
37	30	19211	1,110	110021	589	131,814	88.42%
38	35	19246	1,330	111351	554	132,403	88.82%

Water Management Services, Inc.  
Docket No. 000694-WU  
Billing Analysis - Response to Staff's Data Request No.1

Meter Size R1 - 5/8"  
Test Period Jul-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Gallons Consumed (1) * (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)*(6)]+(5)	Percentage of Total
39	39	19285	1,521	112872	515	132,957	89.19%
40	28	19313	1,120	113992	487	133,472	89.53%
41	21	19334	861	114853	466	133,959	89.86%
42	20	19354	840	115693	446	134,425	90.17%
43	21	19375	903	116596	425	134,871	90.47%
44	21	19396	924	117520	404	135,296	90.76%
45	18	19414	810	118330	386	135,700	91.03%
46	15	19429	690	119020	371	136,086	91.29%
47	17	19446	799	119819	354	136,457	91.54%
48	14	19460	672	120491	340	136,811	91.77%
49	20	19480	980	121471	320	137,151	92.00%
50	9	19489	450	121921	311	137,471	92.22%
51	12	19501	612	122533	299	137,782	92.42%
52	11	19512	572	123105	288	138,081	92.62%
53	10	19522	530	123635	278	138,369	92.82%
54	13	19535	702	124337	265	138,647	93.00%
55	10	19545	550	124887	255	138,912	93.18%
56	10	19555	560	125447	245	139,167	93.35%
57	10	19565	570	126017	235	139,412	93.52%
58	9	19574	522	126539	226	139,647	93.68%
59	12	19586	708	127247	214	139,873	93.83%
60	5	19591	300	127547	209	140,087	93.97%
61	11	19602	671	128218	198	140,296	94.11%
62	4	19606	248	128466	194	140,494	94.24%
63	7	19613	441	128907	187	140,688	94.37%
64	7	19620	448	129355	180	140,875	94.50%
65	7	19627	455	129810	173	141,055	94.62%
66	7	19634	462	130272	166	141,228	94.74%
67	2	19636	134	130406	164	141,394	94.85%
68	3	19639	204	130610	161	141,558	94.96%
69	7	19646	483	131093	154	141,719	95.06%
70	5	19651	350	131443	149	141,873	95.17%
71	9	19660	639	132082	140	142,022	95.27%
72	5	19665	360	132442	135	142,162	95.36%
73	3	19668	219	132661	132	142,297	95.45%
74	5	19673	370	133031	127	142,429	95.54%
75	5	19678	375	133406	122	142,556	95.63%
76	4	19682	304	133710	118	142,678	95.71%
77	7	19689	539	134249	111	142,796	95.79%

Water Management Services, Inc.  
Docket No. 000694-WU  
Billing Analysis - Response to Staff's Data Request No.1

Meter Size	R1 - 5/8"
Test Period	Jul-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Gallons Consumed (1) * (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)*(6)]+(5)	Percentage of Total
78	3	19692	234	134483	108	142,907	95.86%
79	10	19702	790	135273	98	143,015	95.93%
80	6	19708	480	135753	92	143,113	96.00%
81	2	19710	162	135915	90	143,205	96.06%
82	6	19716	492	136407	84	143,295	96.12%
83	3	19719	249	136656	81	143,379	96.18%
84	1	19720	84	136740	80	143,460	96.23%
85	2	19722	170	136910	78	143,540	96.29%
86	2	19724	172	137082	76	143,618	96.34%
87	2	19726	174	137256	74	143,694	96.39%
89	2	19728	178	137434	72	143,842	96.49%
90	1	19729	90	137524	71	143,914	96.54%
91	2	19731	182	137706	69	143,985	96.58%
93	1	19732	93	137799	68	144,123	96.68%
96	1	19733	96	137895	67	144,327	96.81%
97	1	19734	97	137992	66	144,394	96.86%
98	1	19735	98	138090	65	144,460	96.90%
99	3	19738	297	138387	62	144,525	96.95%
100	3	19741	300	138687	59	144,587	96.99%
102	1	19742	102	138789	58	144,705	97.07%
104	1	19743	104	138893	57	144,821	97.15%
105	2	19745	210	139103	55	144,878	97.18%
106	2	19747	212	139315	53	144,933	97.22%
107	2	19749	214	139529	51	144,986	97.26%
110	1	19750	110	139639	50	145,139	97.36%
111	1	19751	111	139750	49	145,189	97.39%
112	1	19752	112	139862	48	145,238	97.43%
113	1	19753	113	139975	47	145,286	97.46%
114	2	19755	228	140203	45	145,333	97.49%
115	1	19756	115	140318	44	145,378	97.52%
116	1	19757	116	140434	43	145,422	97.55%
117	1	19758	117	140551	42	145,465	97.58%
119	2	19760	238	140789	40	145,549	97.63%
120	2	19762	240	141029	38	145,589	97.66%
121	2	19764	242	141271	36	145,627	97.69%
123	1	19765	123	141394	35	145,699	97.73%
128	1	19766	128	141522	34	145,874	97.85%
130	2	19768	260	141782	32	145,942	97.90%
134	1	19769	134	141916	31	146,070	97.98%

Water Management Services, Inc.  
Docket No. 000694-WU  
Billing Analysis - Response to Staff's Data Request No.1

Meter Size	R1 - 5/8"
Test Period	Jul-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Gallons Consumed (1) * (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)*(6)]+(5)	Percentage of Total
136	1	19770	136	142052	30	146,132	98.03%
139	1	19771	139	142191	29	146,222	98.09%
140	2	19773	280	142471	27	146,251	98.10%
142	1	19774	142	142613	26	146,305	98.14%
144	1	19775	144	142757	25	146,357	98.18%
146	1	19776	146	142903	24	146,407	98.21%
155	1	19777	155	143058	23	146,623	98.35%
156	1	19778	156	143214	22	146,646	98.37%
160	1	19779	160	143374	21	146,734	98.43%
162	1	19780	162	143536	20	146,776	98.46%
165	1	19781	165	143701	19	146,836	98.50%
169	1	19782	169	143870	18	146,912	98.55%
176	1	19783	176	144046	17	147,038	98.63%
177	2	19785	354	144400	15	147,055	98.64%
178	1	19786	178	144578	14	147,070	98.65%
181	2	19788	362	144940	12	147,112	98.68%
187	2	19790	374	145314	10	147,184	98.73%
220	1	19791	220	145534	9	147,514	98.95%
237	1	19792	237	145771	8	147,667	99.05%
252	1	19793	252	146023	7	147,787	99.14%
259	1	19794	259	146282	6	147,836	99.17%
322	1	19795	322	146604	5	148,214	99.42%
410	1	19796	410	147014	4	148,654	99.72%
431	1	19797	431	147445	3	148,738	99.77%
497	1	19798	497	147942	2	148,936	99.91%
556	1	19799	556	148498	1	149,054	99.99%
578	1	19800	578	149076	0	149,076	100.00%

Water Management Services, Inc.  
Docket No. 000694-WU  
Billing Analysis - Response to Staff's Data Request No.1

<b>Meter Size</b>	R2 - 1"
<b>Test Period</b>	July-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Gallons		Reversed Bills	Consolidated Factor	Percentage of Total
			Consumed (1) * (2)	Cumulative Gallons			
						[(1)*(6)]+(5)	
0	75	75	0	0	313	0	0.00%
1	29	104	29	29	284	313	5.43%
2	20	124	40	69	264	597	10.35%
3	14	138	42	111	250	861	14.93%
4	19	157	76	187	231	1,111	19.26%
5	17	174	85	272	214	1,342	23.27%
6	13	187	78	350	201	1,556	26.98%
7	15	202	105	455	186	1,757	30.47%
8	12	214	96	551	174	1,943	33.69%
9	14	228	126	677	160	2,117	36.71%
10	11	239	110	787	149	2,277	39.48%
11	10	249	110	897	139	2,426	42.07%
12	10	259	120	1017	129	2,565	44.48%
13	14	273	182	1199	115	2,694	46.71%
14	2	275	28	1227	113	2,809	48.71%
15	5	280	75	1302	108	2,922	50.67%
16	15	295	240	1542	93	3,030	52.54%
17	6	301	102	1644	87	3,123	54.15%
18	7	308	126	1770	80	3,210	55.66%
19	5	313	95	1865	75	3,290	57.05%
20	6	319	120	1985	69	3,365	58.35%
21	4	323	84	2069	65	3,434	59.55%
22	3	326	66	2135	62	3,499	60.67%
23	4	330	92	2227	58	3,561	61.75%
24	1	331	24	2251	57	3,619	62.75%
25	1	332	25	2276	56	3,676	63.74%
26	4	336	104	2380	52	3,732	64.71%
27	1	337	27	2407	51	3,784	65.61%
28	4	341	112	2519	47	3,835	66.50%
29	1	342	29	2548	46	3,882	67.31%
30	3	345	90	2638	43	3,928	68.11%
31	1	346	31	2669	42	3,971	68.86%
32	2	348	64	2733	40	4,013	69.59%
35	2	350	70	2803	38	4,133	71.67%
36	2	352	72	2875	36	4,171	72.33%
39	1	353	39	2914	35	4,279	74.20%
40	1	354	40	2954	34	4,314	74.80%
42	1	355	42	2996	33	4,382	75.98%
44	1	356	44	3040	32	4,448	77.13%



Water Management Services, Inc.  
Docket No. 000694-WU  
Billing Analysis - Response to Staff's Data Request No.1

**Meter Size** R2 - 1"  
**Test Period** July-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Gallons		Reversed Bills	Consolidated Factor	Percentage of Total
			Consumed (1) * (2)	Cumulative Gallons			
						[(1)*(6)]+(5)	
45	1	357	45	3085	31	4,480	77.68%
46	2	359	92	3177	29	4,511	78.22%
47	3	362	141	3318	26	4,540	78.72%
48	2	364	96	3414	24	4,566	79.17%
50	1	365	50	3464	23	4,614	80.01%
52	1	366	52	3516	22	4,660	80.80%
63	1	367	63	3579	21	4,902	85.00%
64	1	368	64	3643	20	4,923	85.37%
65	1	369	65	3708	19	4,943	85.71%
67	1	370	67	3775	18	4,981	86.37%
69	1	371	69	3844	17	5,017	86.99%
70	1	372	70	3914	16	5,034	87.29%
71	3	375	213	4127	13	5,050	87.57%
78	1	376	78	4205	12	5,141	89.15%
80	1	377	80	4285	11	5,165	89.56%
86	1	378	86	4371	10	5,231	90.71%
87	1	379	87	4458	9	5,241	90.88%
88	4	383	352	4810	5	5,250	91.04%
108	1	384	108	4918	4	5,350	92.77%
118	1	385	118	5036	3	5,390	93.46%
160	1	386	160	5196	2	5,516	95.65%
226	1	387	226	5422	1	5,648	97.94%
345	1	388	345	5767	0	5,767	100.00%

Water Management Services, Inc.  
 Docket No. 000694-WU  
 Billing Analysis - Response to Staff's Data Request No.1

RESTATED TO REMOVE 6 CUSTOMERS RECLASSIFIED TO GENERAL SERVICE AFTER TEST PERIOD

Meter Size	R2 - 1"
Test Period	July-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Consumed Gallons (1) * (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)*(6)]+(5)	Percentage of Total
0	42	42	0	0	274	0	0.00%
1	28	70	28	28	246	274	6.75%
2	19	89	38	66	227	520	12.80%
3	11	100	33	99	216	747	18.39%
4	17	117	68	167	199	963	23.71%
5	15	132	75	242	184	1,162	28.61%
6	13	145	78	320	171	1,346	33.14%
7	13	158	91	411	158	1,517	37.35%
8	11	169	88	499	147	1,675	41.24%
9	14	183	126	625	133	1,822	44.85%
10	11	194	110	735	122	1,955	48.13%
11	10	204	110	845	112	2,077	51.13%
12	10	214	120	965	102	2,189	53.89%
13	14	228	182	1147	88	2,291	56.40%
14	2	230	28	1175	86	2,379	58.57%
15	5	235	75	1250	81	2,465	60.68%
16	14	249	224	1474	67	2,546	62.68%
17	5	254	85	1559	62	2,613	64.33%
18	6	260	108	1667	56	2,675	65.85%
19	4	264	76	1743	52	2,731	67.23%
20	5	269	100	1843	47	2,783	68.51%
21	2	271	42	1885	45	2,830	69.67%
22	2	273	44	1929	43	2,875	70.78%
23	4	277	92	2021	39	2,918	71.84%
24	1	278	24	2045	38	2,957	72.80%
26	3	281	78	2123	35	3,033	74.67%
27	1	282	27	2150	34	3,068	75.53%
28	2	284	56	2206	32	3,102	76.37%
29	1	285	29	2235	31	3,134	77.15%
30	2	287	60	2295	29	3,165	77.92%
32	1	288	32	2327	28	3,223	79.35%
35	2	290	70	2397	26	3,307	81.41%
36	2	292	72	2469	24	3,333	82.05%
39	1	293	39	2508	23	3,405	83.83%
40	1	294	40	2548	22	3,428	84.39%
44	1	295	44	2592	21	3,516	86.56%
45	1	296	45	2637	20	3,537	87.08%
46	2	298	92	2729	18	3,557	87.57%

Water Management Services, Inc.  
 Docket No. 000694-WU  
 Billing Analysis - Response to Staff's Data Request No.1

RESTATED TO REMOVE 6 CUSTOMERS RECLASSIFIED TO GENERAL SERVICE AFTER TEST PERIOD

Meter Size	R2 - 1"
Test Period	July-03 to June-04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	# of Bills	Cumulative Bills	Consumed Gallons (1) * (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)*(6)]+(5)	Percentage of Total
47	1	299	47	2776	17	3,575	88.01%
48	2	301	96	2872	15	3,592	88.43%
52	1	302	52	2924	14	3,652	89.91%
63	1	303	63	2987	13	3,806	93.70%
65	1	304	65	3052	12	3,832	94.34%
67	1	305	67	3119	11	3,856	94.93%
69	1	306	69	3188	10	3,878	95.47%
70	1	307	70	3258	9	3,888	95.72%
71	3	310	213	3471	6	3,897	95.94%
80	1	311	80	3551	5	3,951	97.27%
87	1	312	87	3638	4	3,986	98.13%
88	3	315	264	3902	1	3,990	98.23%
160	1	316	160	4062	0	4,062	100.00%

**DOCKET NO. 000694-WS**

**WATER MANAGEMENT SERVICES, INC.'S  
RESPONSE TO STAFF'S SECOND DATA REQUEST,  
ITEM NO. 1**

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killeam Ct.  
Tallahassee, FL 32309

Invoice Date 7/9/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

14.92 Hours @ \$19.75 = \$ 294.67

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 7/13/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

24.00 Hours @ \$19.75 = \$ 474.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 7/20/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

15.50 Hours @ \$19.75 = \$ 306.13

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killlearn Ct.  
Tallahassee, FL 32309

Invoice Date 8/13/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

24.00 Hours @ \$19.75 = \$ 474.00



Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 8/6/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

16.00 Hours @ \$19.75 = \$ 316.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 7/27/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

24.25 Hours @ \$19.75 = \$ 478.94

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 9/03/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

15.16 Hours @ \$19.75 = \$ 299.41

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killlearn Ct.  
Tallahassee, FL 32309

Invoice Date 8/20/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

16.17 Hours @ \$19.75 = \$ 319.36

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 8/27/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

28.75 Hours @ \$19.75 = \$ 469.06

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 9/10/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

24.50 Hours @ \$19.75 = \$ 483.88

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 9/17/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

16.17 Hours @ \$19.75 = \$ 319.36

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 9/24/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

23.42 Hours @ \$19.75 = \$ 462.55



Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killlearn Ct.  
Tallahassee, FL 32309

Invoice Date 10/01/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

16.17 Hours @ \$19.75 = \$ 319.36

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 10/08/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

23.59 Hours @ \$19.75 = \$ 465.90

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 10/15/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

16.00 Hours @ \$19.75 = \$ 316.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 10/22/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

24.50 Hours @ \$19.75 = \$ 483.88

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 10/29/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

28.00 Hours @ \$19.75 = \$ 553.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killlearn Ct.  
Tallahassee, FL 32309

Invoice Date 11/05/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

15.50 Hours @ \$19.75 = \$ 306.13

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killlearn Ct.  
Tallahassee, FL 32309

Invoice Date 11/11/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

23.83 Hours @ \$19.75 = \$ 470.64

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 11/19/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

16.17 Hours @ \$19.75 = \$ 319.36



Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killlearn Ct.  
Tallahassee, FL 32309

Invoice Date 11/26/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

24.00 Hours @ \$19.75 = \$ 474.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 12/03/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

8.00 Hours @ \$19.75 = \$ 158.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 12/10/04

Accounting services performed relating to P.S.C. audit detailing fixed assets and making copies of all fixed asset purchases since last audit in 1994, and other services related to P.S.C. limited proceeding.

16.00 Hours @ \$19.75 = \$ 316.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 12/10/04

Accounting services performed relating to P.S.C. audit detailing water use by category for residential customers, and other services related to P.S.C. limited proceeding.

16.00 Hours @ \$19.75 = \$ 316.00

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## **INVOICE**

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 12/17/04

Accounting services performed relating to P.S.C. audit detailing water use by category for residential customers, and other services related to P.S.C. limited proceeding.

16.25 Hours @ \$19.75 = \$ 320.94

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 12/24/04

Accounting services performed relating to P.S.C. audit detailing water use by category for residential customers, and other services related to P.S.C. limited proceeding.

40.18 Hours @ \$19.75 = \$ 793.56

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 12/31/04

Accounting services performed relating to P.S.C. audit detailing water use by category for residential customers, and other services related to P.S.C. limited proceeding.

20.50 Hours @ \$19.75 = \$ 404.88

Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 1/07/05

Accounting services performed relating to P.S.C. audit detailing  
water use by category for residential customers, and other services  
related to P.S.C. limited proceeding.

21.08 Hours @ \$19.75 = \$ 416.33



Scott Hutter  
410 Victory Garden Drive # 205  
Tallahassee, FL 32301

## INVOICE

Water Management Services, Inc.  
3848 Killearn Ct.  
Tallahassee, FL 32309

Invoice Date 1/14/05

Accounting services performed relating to P.S.C. audit detailing water use by category for residential customers, and other services related to P.S.C. limited proceeding.

35.16 Hours @ \$19.75 = \$ 694.41

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

November 10, 2003

Billed through 10/31/03

Bill number 002327-00001-001 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FOR PROFESSIONAL SERVICES RENDERED

10/12/03 KAH	CONTINUE REVIEW OF PERTINENT PLEADINGS AND PROPOSED SETTLEMENT AGREEMENT .60 hrs	150.00
10/13/03 KAH	MEET WITH GENE BROWN TO DISCUSS BACKGROUND AND STATUS OF CASE AND REMAINING ISSUES TO BE RESOLVED BETWEEN WATER MANAGEMENT RESOURCES AND THE OFFICE OF PUBLIC COUNSEL; DRAFT NOTICE OF SUBSTITUTION OF COUNSEL; TELEPHONE CONFERENCE WITH STEVE REILLY, COUNSEL FOR OPC RE: REQUEST FOR MAPS AND BREAKDOWN OF MONIES BUDGETED AND SPENT FOR FIREFLOW IMPROVEMENTS PRIOR TO MEETING WITH CUSTOMERS; REVIEW AND ANALYSIS OF PHASE II OF PROPOSED AGENCY ACTION RATE INCREASE ORDER ISSUED SEPTEMBER 8, 2003 2.00 hrs	500.00
10/22/03 KAH	TELEPHONE CONFERENCE WITH STEVE REILLY, COUNSEL FOR OPC RE: RESULTS OF MEETINGS WITH CUSTOMER REPRESENTATIVES AND HOMEOWNERS ASSOCIATION AND REQUEST FOR RETURN OF MAPS .30 hrs	75.00
10/27/03 KAH	TELEPHONE CONFERENCES WITH GENE BROWN AND STEVE REILLY RE: COORDINATING SCHEDULING OF MEETING TO DISCUSS RESULTS OF MR. REILLY'S MEETINGS WITH CUSTOMER REPRESENTATIVES CONCERNING POTENTIAL SETTLEMENT OF CASE; MEET WITH GENE BROWN AND STEVE REILLY AT MR. BROWN'S OFFICE RE: SUMMARY AND RECAP OF RESULTS OF MEETINGS WITH CUSTOMER GROUPS, AGREEMENT BETWEEN PARTIES THAT IT IS APPROPRIATE NOT TO DESTROY THE EXISTING ELEVATOR STORAGE TANK AND DISCUSSION CONCERNING POTENTIAL ALTERNATIVES FOR NEW SITE FOR NEW ELEVATED STORAGE TANK AND ISSUES THAT COULD ARISE CONCERNING THE SIZE OF THE NEW TANK; DICTATE MEMORANDUM TO FILE RE: RESULTS OF MEETING WITH MR. BROWN AND MR. REILLY 1.50 hrs	375.00

**RUTLEDGE, ECENIA, PURNELL & HOFFMAN**

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC  
Bill number 002327-00001-001 KAH

10/28/03	KAH	TELEPHONE CONFERENCES WITH GENE BROWN RE: RESULTS OF HIS DISCUSSIONS WITH LENDER CONCERNING THE POSSIBILITY OF 99-YEAR LEASE FROM THE COUNTY FOR THE SITING OF THE NEW ELEVATED STORAGE TANK AND DECISION TO TAKE PROPOSAL THAT COUNTY DEED OF THIRD STREET TO WMS TO NOVEMBER 4, 2003 COUNTY COMMISSION MEETING; DICTATE MEMORANDUM TO FILE RE: SAME SUBJECT; DRAFT LETTER TO ROSEANNE GERVASI, PSC STAFF COUNSEL RE: STATUS OF SETTLEMENT EFFORTS WITH OPC	.80 hrs	200.00
10/29/03	KAH	NUMEROUS TELEPHONE CONFERENCES WITH STEVE REILLY, COUNSEL FOR OPC (3) AND GENE BROWN (2) RE: PROPOSED REVISIONS TO LETTER TO ROSANNE GERVASI OUTLINING STATUS OF SETTLEMENT EFFORTS WITH OFFICE OF PUBLIC COUNSEL, OFFICE OF PUBLIC COUNSEL'S CONCERNS WITH UTILITY'S ACQUISITION OF MINIMAL COST SITE FOR ELEVATED STORAGE TANK AND MATTERS RELATED TO NOVEMBER 4, 2003 FRANKLIN COUNTY COMMISSION MEETING CONSIDERATION OF STATUS OF EFFORTS OF UTILITY TO SECURE SITE FOR NEW ELEVATED STORAGE TANK; REVIEW REVISIONS SUGGESTED BY MR. REILLY TO THE FOREGOING LETTER TO MS. GERVASI AND FINALIZE LETTER; TELEPHONE CONFERENCE WITH HANK GARRETT, GENERAL MANAGER OF UTILITY RE: TOUR OF UTILITY FACILITIES AND POTENTIAL SITES FOR POTENTIAL STORAGE TANK ON NOVEMBER 4, 2003	1.20 hrs	300.00
10/30/03	KAH	TELEPHONE CONFERENCE WITH ADRIENNE VINING, PSC STAFF COUNSEL, REGARDING WATER MANAGEMENT SERVICE'S LETTER TO PSC COUNSEL ROSANNE GERVASI ADVISING ON STATUS OF SETTLEMENT EFFORTS WITH OPC AND DISCUSSION CONCERNING CONTINUED SETTLEMENT EFFORTS AND PERIOD OF TIME THAT SHOULD BE ALLOWED TO PASS BEFORE ESTABLISHING A CASE LAW FOR HEARING	.20 hrs	50.00

Total Professional Fees \$ 1,650.00

## REIMBURSABLE COSTS

10/31/03 FACSIMILE TRANSMISSIONS 5.00

Total Reimbursable Costs \$ 5.00

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC  
Bill number 002327-00001-001 KAH

## BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$ 1,650.00
TOTAL REIMBURSABLE COSTS	\$ 5.00
TOTAL CHARGES FOR THIS BILL	\$ 1,655.00



PLEASE RETURN A COPY OF STATEMENT WITH PAYMENT

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

December 17, 2003

Billed through 11/30/03

Bill number 002327-00001-002 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 001 dated 11/10/03 \$ 1,655.00

FOR PROFESSIONAL SERVICES RENDERED

11/04/03 KAH	TRAVEL TO APALACHICOLA AND ATTEND MEETING OF FRANKLIN COUNTY COMMISSION CONCERNING NOTICE AND BACKGROUND DISCUSSION BY WATER MANAGEMENT SERVICES CONCERNING STATUS OF PSC PROCEEDING AND CURRENT DISCUSSIONS WITH THE OFFICE OF PUBLIC COUNSEL AND VARIOUS CUSTOMER GROUPS AND CIVIC LEADERS DIRECTED TOWARD SECURING A SITE FOR A NEW ELEVATED STORAGE TANK AND RELATED MATTERS; MEET WITH NICK YONCLAS, RICHARD HARPER AND HANK GARRETT FOLLOWING THE COUNTY COMMISSION MEETING FOR FURTHER DISCUSSION OF THE PENDING ISSUES THAT NEED TO BE RESOLVED CONCERNING SECURING A NEW SITE FOR A NEW ELEVATED STORAGE TANK; MEET WITH HANK GARRETT AND TOUR FACILITIES AT EASTPOINT AND ON ST. GEORGE ISLAND WITH HANK GARRETT; RETURN TRAVEL TO TALLAHASSEE; DICTATE MEMORANDUM TO FILE RE: PERTINENT POINTS DISCUSSED WITH HANK GARRETT IN CONNECTION WITH THE TOUR OF FACILITIES AND EXPLANATION OF THE SYSTEM	7.50 hrs	1,875.00
11/10/03 KAH	TELEPHONE CONFERENCE WITH HANK GARRETT RE: SUMMARY AND RECAP OF RESULTS OF MEETING OF CUSTOMERS ON NOVEMBER 6, 2003 CONCERNING POTENTIAL SITES FOR NEW ELEVATED STORAGE TANK AND ISSUES RELATED TO ALTERNATIVE OF CONSTRUCTING AND COMPLETING ADDITIONAL FIREFLOW LINES	.30 hrs	75.00

Total Professional Fees

\$ 1,950.00

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
 ATTORNEYS AND COUNSELORS AT LAW  
 POST OFFICE BOX 551  
 TALLAHASSEE, FLORIDA 32302-0551  
 (850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC  
 Bill number 002327-00001-002 KAH

## REIMBURSABLE COSTS

11/04/03	MILEAGE TO AND FROM APALACHICOLA AND ST. GEORGE ISLAND (175 MILES)		63.00
	Total Reimbursable Costs	\$	63.00

## BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$	1,950.00
TOTAL REIMBURSABLE COSTS	\$	63.00
TOTAL CHARGES FOR THIS BILL	\$	2,013.00
NET BALANCE FORWARD	\$	1,655.00
CURRENT BALANCE DUE	\$	3,668.00

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

January 15, 2004

Billed through 12/31/03

Bill number 002327-00001-003 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 002 dated 12/17/03 \$ 3,668.00

FOR PROFESSIONAL SERVICES RENDERED

12/15/03 KAH	TELEPHONE CONFERENCES WITH STEVE REILLY (2), COUNSEL FOR OPC AND GENE BROWN (2) RE: MATTERS RELATED TO POTENTIAL ALTERNATIVE OF NOT CONSTRUCTING A NEW ELEVATED STORAGE TANK AND PUTTING IN NEW HIGH SERVICE BOOSTER PUMPS WITH ALTERNATIVE OF ADDITIONAL GROUND STORAGE, RECENT MEETING HELD BY MR. REILLY, GEORGE LIU AND LES THOMAS, ENGINEER FOR WATER MANAGEMENT SERVICES, AND MR. REILLY'S INTENTIONS TO HOLD FOLLOW-UP MEETINGS IN JANUARY, 2004 WITH REPRESENTATIVES OF ST. GEORGE ISLAND CIVIC ASSOCIATION, INCLUDING THE UTILITY COMMITTEE, TO DISCUSS ALTERNATIVE PRESENTED BY MR. THOMAS AND ISSUE CONCERNING TIMING OF REVISED CASE ASSIGNMENT AND SCHEDULING RECORD; DICTATE MEMORANDUM TO FILE RE: RESULTS OF THE FOREGOING CONVERSATION .70 hrs	175.00
12/17/03 KAH	TELEPHONE CONFERENCE WITH GENE BROWN RE: RECAP OF RECENT DISCUSSIONS WITH STEVE REILLY, COUNSEL FOR OPC REGARDING POTENTIAL ALTERNATIVE OF CONSTRUCTION OF HIGH SERVICE BOOSTER PUMPS IN LIEU OF ADDITIONAL ELEVATED STORAGE TANK AND DISCUSSION CONCERNING TIMING OF REVISED CASE ASSIGNMENT AND SCHEDULING RECORD; TELEPHONE CONFERENCE WITH ADRIENNE VINING, PSC STAFF COUNSEL RE: SAME SUBJECT .40 hrs	100.00

Total Professional Fees \$ 275.00

*OK - pay when we  
get the money*

**RUTLEDGE, ECENIA, PURNELL & HOFFMAN**

PROFESSIONAL ASSOCIATION  
 ATTORNEYS AND COUNSELORS AT LAW  
 POST OFFICE BOX 551  
 TALLAHASSEE, FLORIDA 32302-0551  
 (850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC  
 Bill number 002327-00001-003 KAH

## BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$	275.00
		-----
TOTAL CHARGES FOR THIS BILL	\$	275.00
NET BALANCE FORWARD	\$	3,668.00
		-----
CURRENT BALANCE DUE	\$	3,943.00

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT



# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

April 19, 2004

Billed through 03/31/04

Bill number 002327-00001-006 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

## REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 003 dated 01/15/04	\$	3,943.00
Payments received since last bill (last payment 02/02/04)	\$	3,943.00
Net balance forward	\$	.00

## FOR PROFESSIONAL SERVICES RENDERED

03/04/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN AND REVIEW PROPOSED STIPULATION WITH THE OFFICE OF PUBLIC COUNSEL	.40 hrs	100.00
03/24/04 KAH	TELEPHONE CONFERENCE WITH ADRIENNE VINING OF THE PSC STAFF RE: STATUS OF SETTLEMENT DISCUSSIONS AND AGREEMENT WITH OPC AND POSTPONEMENT OF ISSUANCE OF NEW CASE ASSIGNMENT AND SCHEDULING RECORD	.20 hrs	50.00
03/29/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN RE: STATUS OF STIPULATIONS WITH OPC	.20 hrs	50.00
03/30/04 KAH	TELEPHONE CONFERENCE WITH STEVE REILLY RE: STATUS OF RESOLUTION OF DRAFT SETTLEMENT AGREEMENT AND REQUEST FOR ADDITIONAL INFORMATION FROM WATER MANAGEMENT SERVICES DOCUMENTING EXPENDITURES FOR ADDITIONAL PIPING	.20 hrs	50.00
03/31/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN RE: RESULTS OF DISCUSSION WITH STEVE REILLY REGARDING DRAFT SETTLEMENT AGREEMENT AND OPC'S REQUEST FOR DOCUMENTATION OF EXPENDITURES FOR PIPING	.20 hrs	50.00
Total Professional Fees			\$ 300.00

## BILLING SUMMARY

TOTAL PROFESSIONAL FEES \$ 300.00



**RUTLEDGE, ECENIA, PURNELL & HOFFMAN**

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC  
Bill number 002327-00001-006 KAH

TOTAL CHARGES FOR THIS BILL	\$	300.00
CURRENT BALANCE DUE	\$	300.00

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# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
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(850) 681-6788 • Fax (850) 681-6515

RECEIVED  
MAY 21 2004

May 18, 2004

Billed through 04/30/04

Bill number 002327-00001-007 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 006 dated 04/19/04 \$ 300.00

FOR PROFESSIONAL SERVICES RENDERED

04/09/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN AND REVIEW DOCUMENT OUTLINING AND RECAPPING TOTAL EXPENDITURES; DRAFT LETTER TO STEVE REILLY, ATTORNEY FOR THE OFFICE OF PUBLIC COUNSEL RE: SAME SUBJECT	.40 hrs	100.00
04/26/04 KAH	TELEPHONE CONFERENCES WITH STEVE REILLY, COUNSEL FOR OPC AND GENE BROWN RE: STATUS OF FINALIZING SETTLEMENT AGREEMENT WITH OPC AND STATUS OF OPC'S REVIEW OF SUMMARY FINANCIAL DATA REGARDING COMPLETION OF PROJECT	.30 hrs	75.00

Total Professional Fees \$ 175.00

## BILLING SUMMARY

TOTAL PROFESSIONAL FEES \$ 175.00

TOTAL CHARGES FOR THIS BILL \$ 175.00

NET BALANCE FORWARD \$ 300.00

CURRENT BALANCE DUE \$ 475.00

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*PK - GM*  
5/24/04

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

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ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

June 7, 2004

Billed through 05/31/04

Bill number 002327-00001-008 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

## REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 007 dated 05/18/04 \$ 175.00

## FOR PROFESSIONAL SERVICES RENDERED

05/18/04	KAH	TELEPHONE CONFERENCE WITH GENE BROWN RE: STATUS OF SETTLEMENT DISCUSSIONS WITH THE OFFICE OF PUBLIC COUNSEL AND HOMEOWNERS' ASSOCIATION AND RECENT DISCOVERY OF STAFF'S INCORRECT CALCULATION OF DEPRECIATION USEFUL LIFE FOR SUPPLY MAINS	.20 hrs	50.00
05/24/04	KAH	TELEPHONE CONFERENCE WITH ADRIENNE VINING, PSC STAFF COUNSEL RE: STATUS OF NEGOTIATIONS BETWEEN OPC AND WATER MANAGEMENT SERVICES	.20 hrs	50.00
05/26/04	KAH	TELEPHONE CONFERENCES WITH STEVE REILLY, COUNSEL FOR OPC, GENE BROWN AND ADRIENNE VINING, PSC STAFF COUNSEL RE: STATUS OF SETTLEMENT DISCUSSIONS WITH OPC AND ANTICIPATED FILING OF SETTLEMENT AGREEMENT	.40 hrs	100.00
05/27/04	KAH	TELEPHONE CONFERENCE WITH STEVE REILLY, COUNSEL FOR OPC RE: REVISED SETTLEMENT AGREEMENT; REVIEW AND ANALYSIS OF REVISED SETTLEMENT AGREEMENT AND DISCUSS WITH GENE BROWN; REVIEW JOINT MOTION TO APPROVE SETTLEMENT AGREEMENT AND DISCUSS WITH STEVE REILLY	.40 hrs	100.00

Total Professional Fees \$ 300.00

## REIMBURSABLE COSTS

05/31/04 PHOTOCOPIES 10.00

Total Reimbursable Costs \$ 10.00


# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
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TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC  
Bill number 002327-00001-008 KAH

## BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$	300.00
TOTAL REIMBURSABLE COSTS	\$	10.00
TOTAL CHARGES FOR THIS BILL	\$	310.00
NET BALANCE FORWARD	\$	175.00
CURRENT BALANCE DUE	\$	485.00



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# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

December 8<sup>th</sup>, 2004

Billed through 11/30/04

Bill number 002327-00001-017 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

## REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 016 dated 11/11/04	\$	1,078.00
Payments received since last bill (last payment 11/12/04)	\$	153.00
		-----
Net balance forward	\$	925.00

## FOR PROFESSIONAL SERVICES RENDERED

11/30/04 KAH TELEPHONE CONFERENCE WITH GENE BROWN REGARDING STATUS OF CASE AND STATUS OF STAFF AUDIT	.20 hrs	50.00
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Total Professional Fees	\$	50.00
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## BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$	50.00
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TOTAL CHARGES FOR THIS BILL	\$	50.00
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NET BALANCE FORWARD	\$	925.00
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CURRENT BALANCE DUE	\$	975.00
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# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

November 11, 2004

Billed through 10/31/04

Bill number 002327-00001-016 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

## REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 012 dated 10/15/04 \$ 153.00

### FOR PROFESSIONAL SERVICES RENDERED

10/04/04 KAH	TELEPHONE CONFERENCE WITH ADRIENNE VINING, PSC STAFF COUNSEL, RE: STATUS OF FILING PETITION FOR APPROVAL OF PHASE III RATES	.20 hrs	50.00
10/06/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN RE: MATTERS RELATED TO STATUS OF REVIEW OF DRAFT OF PETITION FOR APPROVAL OF PHASE III RATES	.10 hrs	25.00
10/12/04 KAH	REVIEW REVISIONS TO COMMENTS AND REVISIONS TO DRAFT OF PETITION FOR PHASE III RATES PROVIDED BY FRANK SEIDMAN	.80 hrs	200.00
10/13/04 KAH	MEET WITH GENE BROWN AND FRANK SEIDMAN TO DISCUSS DRAFT OF PETITION FOR APPROVAL OF PHASE III RATES, FINAL REVISIONS TO PETITION AND FINAL NUMBERS TO BE INCLUDED IN THE PETITION AND RELATED ISSUES; REVIEW AND DRAFT FINAL REVISIONS TO THE PETITION TO THE PHASE III RATES AND PREPARE FOR FILING ON OCTOBER 14, 2004.	2.60 hrs	650.00

Total Professional Fees \$ 925.00

### BILLING SUMMARY

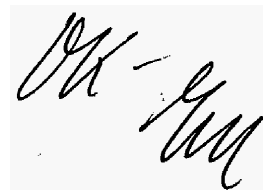
TOTAL PROFESSIONAL FEES \$ 925.00

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

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ATTORNEYS AND COUNSELORS AT LAW  
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(850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC  
Bill number 002327-00001-016 KAH

TOTAL CHARGES FOR THIS BILL	\$ 925.00
NET BALANCE FORWARD	\$ 153.00
CURRENT BALANCE DUE	\$ 1,078.00



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# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

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POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

August 18, 2004

Billed through 07/31/04

Bill number 002327-00001-010 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

## REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 008 dated 06/07/04	\$	485.00
Payments received since last bill (last payment 06/22/04)	\$	485.00
Net balance forward	\$	.00

### FOR PROFESSIONAL SERVICES RENDERED

07/14/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN RE: FILING OF UPDATED COSTS, REVENUE AND RATE INFORMATION FOR FINAL RATES; MEET WITH GENE BROWN AND FRANK SEIDMAN RE: DISCUSSION AND EXPLANATION REGARDING COSTS, REVENUE AND RATE INFORMATION TO BE FILED WITH THE PSC; DICTATE MEMORANDUM TO FILE RE: SAME SUBJECT; TELEPHONE CONFERENCE WITH ADRIENNE VINING RE: SUBJECT OF STAFF RECOMMENDATION TO BE ISSUED ON JULY 22, 2004	1.00 hrs	250.00
07/27/04 KAH	REVIEW STAFF RECOMMENDATION RECOMMENDING APPROVAL OF STIPULATION WITH OPC FOR CONSIDERATION AT AUGUST 3, 2004 AGENDA CONFERENCE	.20 hrs	50.00
07/28/04 KAH	TELEPHONE CONFERENCE WITH ADRIENNE VINING RE: QUESTIONS RAISED BY COMMISSIONER AIDE CONCERNING DATE NEW BRIDGE WENT INTO SERVICE AND EXPECTED DATE FOR IMPLEMENTATION OF PHASE III RATES	.20 hrs	50.00
07/29/04 KAH	TELEPHONE CONFERENCES WITH GENE BROWN (2) RE: RESPONSES TO STAFF QUESTIONS FOR AUGUST 3, 2004 AGENDA CONFERENCE; TELEPHONE CONFERENCE WITH ADRIENNE VINING, PSC STAFF COUNSEL RE: SAME SUBJECT	.30 hrs	75.00

Total Professional Fees \$ 425.00

# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

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(850) 681-6788 • Fax (850) 681-6515

September 14, 2004

Billed through 08/31/04

Bill number 002327-00001-011 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 010 dated 06/18/04 \$ 425.00

FOR PROFESSIONAL SERVICES RENDERED

08/02/04	KAH	TELEPHONE CONFERENCE WITH GENE BROWN AND REVIEW ORDER APPROVING RATE INCREASE, STAFF RECOMMENDATION AND STIPULATION WITH THE OFFICE OF PUBLIC COUNSEL IN PREPARATION FOR AUGUST 3, 2004 AGENDA CONFERENCE	.70 hrs	175.00
08/03/04	KAH	ATTEND AGENDA CONFERENCE RE: APPROVAL OF STAFF RECOMMENDATION APPROVING STIPULATION WITH THE OFFICE OF PUBLIC COUNSEL	.50 hrs	125.00
08/09/04	KAH	REVIEW PHASE THREE PETITION SUMMARY AND SUPPORTING SCHEDULES PROVIDED BY FRANK SEIDMAN IN PREPARATION FOR MEETING WITH GENE BROWN AND FRANK SEIDMAN ON AUGUST 10, 2004	.60 hrs	150.00
08/10/04	KAH	REVIEW REVISED NARRATIVE FROM FRANK SEIDMAN AND ATTACHED SCHEDULES AND MEET WITH GENE BROWN, BOB MITCHELL AND FRANK SEIDMAN TO DISCUSS ISSUES RELATED TO PREPARATION OF PETITION FOR APPROVAL OF PHASE III RATES; DICTATE MEMORANDUM TO FILE RE: MATTERS DISCUSSED DURING THE FOREGOING MEETING	1.60 hrs	400.00
08/13/04	KAH	REVIEW ORDER APPROVING SETTLEMENT AGREEMENT	.30 hrs	75.00
08/15/04	KAH	CONTINUE REVIEW OF DRAFT OF SUPPORTING SCHEDULES AND SUPPLEMENTAL PETITION FOR LIMITED PROCEEDINGS AND ATTACHMENTS	.70 hrs	175.00
08/20/04	KAH	REVIEW DOCUMENTS AND BEGIN PREPARATION OF PETITION FOR APPROVAL OF PHASE III RATES	.80 hrs	200.00

**RUTLEDGE, ECENIA, PURNELL & HOFFMAN**

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(850) 681-6788 • Fax (850) 681-6515

WATER MANAGEMENT SERVICES, INC

Bill number 002327-00001-011 KAH

08/21/04 KAH	CONTINUE REVIEW OF DOCUMENTS AND SCHEDULES AND DRAFTING OF FIRST DRAFT OF PETITION FOR APPROVAL OF PHASE III RATES	3.30 hrs	825.00
08/22/04 KAH	CONTINUE DRAFTING FIRST DRAFT OF PETITION FOR APPROVAL OF PHASE III RATES; REVIEW AND DRAFT REVISIONS TO DRAFT OF PETITION FOR APPROVAL OF PHASE III RATES; DRAFT LETTER TO GENE BROWN RE: SAME SUBJECT	1.70 hrs	425.00
08/31/04 KAH	TELEPHONE CONFERENCE WITH ADRIENNE VINING, PSC STAFF COUNSEL RE: REQUEST FOR ESTIMATED DATE OF FILING OF PETITION FOR APPROVAL OF PHASE III RATES	.10 hrs	25.00

Total Professional Fees

\$ 2,575.00

## REIMBURSABLE COSTS

08/31/04 PHOTOCOPIES

7.25

Total Reimbursable Costs

\$ 7.25

## BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$ 2,575.00
TOTAL REIMBURSABLE COSTS	\$ 7.25
TOTAL CHARGES FOR THIS BILL	\$ 2,582.25
NET BALANCE FORWARD	\$ 425.00
CURRENT BALANCE DUE	\$ 3,007.25

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# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
POST OFFICE BOX 551  
TALLAHASSEE, FLORIDA 32302-0551  
(850) 681-6788 • Fax (850) 681-6515

October 15, 2004

Billed through 09/30/04

Bill number 002327-00001-012 KAH

WATER MANAGEMENT SERVICES, INC  
3834 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32309

## REGULATORY MATTERS BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Balance forward as of bill number 011 dated 09/14/04	\$	3,007.25
Payments received since last bill (last payment 10/13/04)	\$	3,007.25
Net balance forward	\$	.00

## FOR PROFESSIONAL SERVICES RENDERED

09/07/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN'S OFFICE REGARDING STAFF AUDIT REQUEST	.10 hrs	25.00
09/08/04 KAH	TELEPHONE CONFERENCE WITH ADRIENNE VINING, PSC STAFF COUNSEL AND GENE BROWN RE: COORDINATION OF STAFF AUDIT OF WATER MANAGEMENT SERVICES AND RELATED MATTERS	.30 hrs	75.00
09/27/04 KAH	TELEPHONE CONFERENCE WITH GENE BROWN RE: STATUS OF CASE, STATUS OF REVIEW OF DRAFT PETITION FOR APPROVAL OF PHASE III RATES AND STATUS OF UPCOMING STAFF AUDIT	.20 hrs	50.00

Total Professional Fees	\$	150.00
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## REIMBURSABLE COSTS

09/30/04	FACSIMILE TRANSMISSIONS	3.00
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Total Reimbursable Costs	\$	3.00
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## BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$	150.00
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# RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
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WATER MANAGEMENT SERVICES, INC  
Bill number 002327-00001-012 KAH

TOTAL REIMBURSABLE COSTS	\$	3.00
TOTAL CHARGES FOR THIS BILL	\$	153.00
CURRENT BALANCE DUE	\$	153.00



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# Hopping Green & Sams

Attorneys and Counselors

123 S. Calhoun Street  
P.O. Box 6526  
Tallahassee, FL 32314  
850.222.7500

===== STATEMENT =====

June 13, 2003

Water Management Services, Inc  
c/o Gene Brown  
3848 Killearn Court  
Tallahassee, FL 32308

Bill Number 6445  
Billed through 05/31/2003

**PSC Limited Proceeding**

**WMSI 00101 RDM**

**FOR PROFESSIONAL SERVICES RENDERED**

05/01/03	RDM	Review comments from Brown and incorporate same into documents; e-mail to Seidman with additional questions.	0.40 hrs
05/02/03	RDM	Final review and revision of drafts; telephone call to Brown re calculation of final contract amount and document reconciliation; prepare transmittal letter for filing; telephone call to Public Counsel's office; confer with Seidman.	0.70 hrs
05/07/03	RDM	Telephone call to Shreve regarding limited proceeding; prepare for and attend meeting with staff; review depreciation rule and forward same to client; revise draft petition to add depreciation request, clarify Phase III timing, and clarify request for relief.	4.10 hrs
05/14/03	RDM	Review revised depreciation schedules; confer with Seidman re same; update petition and narrative to conform to revised revenue requirement information; forward final drafts to Brown for review and approval; prepare transmittal letter for supplemental information (DEP contracts) provided to staff and OPC; finalize and file petition.	1.60 hrs

Total fees for this matter \$1,700.00

**DISBURSEMENTS**

Copying Charges	287.00
Postage	2.12
Mileage	5.04

Total disbursements for this matter \$294.16

**MATTER SUMMARY**

Melson, Richard D.	6.80 hrs	250 /hr	1,700.00
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TOTAL FEES \$1,700.00

TOTAL DISBURSEMENTS \$294.16

**TOTAL CHARGES FOR THIS MATTER**

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**\$1,994.16**

*OK - PAY  
ASAP*

**BILLING SUMMARY**

Melson, Richard D. 6.80 hrs 250 /hr 1,700.00

TOTAL FEES \$1,700.00  
TOTAL DISBURSEMENTS \$294.16

**TOTAL CHARGES FOR THIS BILL \$1,994.16**

**Please include the bill number on your check.**

# Hopping Green & Sams

Attorneys and Counselors

123 S. Calhoun Street  
P.O. Box 6526  
Tallahassee, FL 32314  
850.222.7500

===== STATEMENT =====

August 14, 2003

Water Management Services, Inc  
c/o Gene Brown  
3848 Killearn Court  
Tallahassee, FL 32308

Bill Number 7553  
Billed through 07/31/2003

**PSC Limited Proceeding**

**WMSI 00101 RDM**

**FOR PROFESSIONAL SERVICES RENDERED**

07/11/03	RDM	Meet with Brown, Seidman and Thomas; prepare written response to staff data requests; revise Seidman draft response; meeting with client to finalize responses; submit same to PSC; confer with Merchant and Harris.	4.80 hrs
07/15/03	RDM	Prepare draft notice to customers.	0.30 hrs
07/22/03	RDM	Confer with Seidman; prepare rate case expense support documentation at request of staff.	0.30 hrs
07/23/03	RDM	Telephone call from Merchant regarding security for potential refund and other matters; report to Brown re same; prepare letter providing justification for no security.	0.80 hrs

Total fees for this matter \$1,550.00

**DISBURSEMENTS**

Copying Charges	177.25
Long Distance	0.79
Postage	4.61
Facsimiles	2.00

Total disbursements for this matter \$184.65

**MATTER SUMMARY**

Melson, Richard D.	6.20 hrs	250 /hr	1,550.00
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TOTAL FEES	\$1,550.00
TOTAL DISBURSEMENTS	\$184.65

**TOTAL CHARGES FOR THIS MATTER** \$1,734.65

**BILLING SUMMARY**

Melson, Richard D.	6.20 hrs	250 /hr	1,550.00
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TOTAL FEES \$1,550.00



TOTAL DISBURSEMENTS

\$184.65

**TOTAL CHARGES FOR THIS BILL**

**\$1,734.65**

**Please include the bill number on your check.**



# Hopping Green & Sams

Attorneys and Counselors

123 S. Calhoun Street  
P.O. Box 6526  
Tallahassee, FL 32314  
850.222.7500

===== STATEMENT =====

September 15, 2003

Water Management Services, Inc  
c/o Gene Brown  
3848 Killearn Court  
Tallahassee, FL 32308

Bill Number 7951  
Billed through 08/31/2003

**PSC Limited Proceeding**  
**WMSI 00101 RDM**

**FOR PROFESSIONAL SERVICES RENDERED**

08/27/03	RDM	Review staff recommendation; prepare draft customer notice; confer with Seidman; forward notice to Brown; attempt to contact Brown to discuss strategy for agenda conference.	0.70 hrs
08/28/03	RDM	Telephone call to Brown re notices; telephone call to Seidman regarding rates for additional meter sizes; attempt to contact Merchant; telephone call to Willis re required supplement to staff recommendation; voice mail to staff attorney regarding participaton at agenda conference.	0.90 hrs
08/29/03	RDM	Telephone calls with Kyle, Seidman, Brown, and Riley regarding correction to staff recommendation for additional meter sizes and information requests on construction and spending schedule; review final draft notice and tariff sheets and telephone call to Sandy re same; prepare transmittal letters for tariffs and notice.	1.20 hrs
Total fees for this matter			\$700.00

**DISBURSEMENTS**

Copying Charges	3.75
Facsimiles	1.00
Total disbursements for this matter	\$4.75

**MATTER SUMMARY**

Melson, Richard D.	2.80 hrs	250 /hr	700.00
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TOTAL FEES	\$700.00
TOTAL DISBURSEMENTS	\$4.75

**TOTAL CHARGES FOR THIS MATTER** **\$704.75**

**BILLING SUMMARY**

Melson, Richard D.	2.80 hrs	250 /hr	700.00
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TOTAL FEES \$700.00

TOTAL DISBURSEMENTS

\$4.75

**TOTAL CHARGES FOR THIS BILL**

**\$704.75**

**Please include the bill number on your check.**

Handwritten signature and initials in black ink, located in the upper right quadrant of the page.

# Hopping Green & Sams

Attorneys and Counselors

123 S. Calhoun Street  
P.O. Box 6526  
Tallahassee, FL 32314  
850.222.7500

===== STATEMENT =====

October 10, 2003

Water Management Services, Inc  
c/o Gene Brown  
3848 Killearn Court  
Tallahassee, FL 32308

Bill Number 8396  
Billed through 09/30/2003

**PSC Limited Proceeding**  
**WMSI 00101 RDM**

**FOR PROFESSIONAL SERVICES RENDERED**

09/02/03	RDM	Review petition and staff recommendation to prepare for agenda conference; meet with Brown, Thomas and Seidman; review customer memo to PSC; represent client at agenda conference; post-agenda meeting with Riley and customer; obtain PSC staff approval for customer notice; provide required change to notice and tariff sheet to Sandy; forward draft affidavit of notice.	2.40 hrs
09/04/03	RDM	Telephone call from Brown and follow-up with Kyle re status of tariff sheet approval.	0.10 hrs
09/08/03	RDM	Telephone call from Kyle regarding stamped effective date on tariff; telephone call to Brown's office re same.	0.00 hrs
09/09/03	RDM	Telephone call to Riley regarding meeting of engineers and public meeting on Island; report to Brown re same; telephone call from Riley regarding arranging meeting of Bidy and Thomas.	0.30 hrs
09/10/03	RDM	Brief telephone call with Brown regarding meeting of engineers.	0.00 hrs
09/11/03	RDM	Forward final approved tariff sheets to Brown; review PAA order.	0.30 hrs
09/24/03	RDM	Meeting at Brown's office with OPC and Loo regarding fire flow plans, upcoming protest, and potential settlement.	1.90 hrs
09/25/03	RDM	Prepare draft settlement agreement; confer with Brown re same; revise and forward to Reilly.	1.40 hrs
09/26/03	RDM	Telephone call with Reilly re draft settlement; review draft of OPC protest; telephone conference with Brown regarding status of settlement and scope of WMSI protest; attempt to contact Reilly.	0.80 hrs
09/29/03	RDM	Telephone call to Reilly re settlement; telephone call to Willis; attempt to contact Vining; update Seidman on status; prepare protest on rate case expense and file same.	0.90 hrs
09/30/03	RDM	Confer with Brown regarding status of settlement discussions with Reilly.	0.20 hrs
Total fees for this matter			\$2,075.00

**DISBURSEMENTS**

Copying Charges	34.75
Postage	1.57

Total disbursements for this matter **\$36.32**

**MATTER SUMMARY**

Melson, Richard D.	8.30 hrs	250 /hr	2,075.00
--------------------	----------	---------	----------

TOTAL FEES	\$2,075.00
TOTAL DISBURSEMENTS	\$36.32
	-----

**TOTAL CHARGES FOR THIS MATTER \$2,111.32**

**BILLING SUMMARY**

Melson, Richard D.	8.30 hrs	250 /hr	2,075.00
--------------------	----------	---------	----------

TOTAL FEES	\$2,075.00
TOTAL DISBURSEMENTS	\$36.32
	-----

**TOTAL CHARGES FOR THIS BILL \$2,111.32**

**Please include the bill number on your check.**





P.O. Box 13427  
Tallahassee, FL 32317-3427  
Phone or Fax (850) 877-0673  
e-mail: frankden@nettally.com

---

**Management & Regulatory Consultants, Inc.**

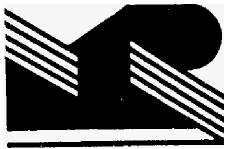
WATER MANAGEMENT SERVICES, INC.  
MR. GENE BROWN  
3848 KILLEARN COURT  
TALLAHASSEE, FL 32308

07/01/03  
20031.40

CONSULTING - RE SUPPLY MAIN - LIMITED PROCEEDING

	HOURS	
PREVIOUS BALANCE		\$9266.81
<u>Week of:</u>		
05/01/03 FS Prepare Schedules to file Limited Proceeding phase request.	1.00	\$ 100.00
05/05/03 FS Attend meeting w/Staff re Limited Proceeding.	<u>2.00</u>	<u>\$ 200.00</u>
FOR CURRENT SERVICES RENDERED	3.00	\$ 300.00
EXPENSES		
PAYMENTS AND CREDITS FOR EXPENSES		
05/29/03 PAYMENT		- 326.00
06/30/03 PAYMENT		- 663.00
		=====
BALANCE DUE		\$8577.81

NOTE: The above is for services rendered in May and June. No invoice was sent in June.



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---

**Management & Regulatory Consultants, Inc.**

WATER MANAGEMENT SERVICES, INC.  
MR. GENE BROWN  
3848 KILLEARN COURT  
TALLAHASSEE, FL 32308

11/18/04  
20031.40

CONSULTING - RE SUPPLY MAIN - LIMITED PROCEEDING

<u>Week of:</u>		HOURS	
	PREVIOUS BALANCE		\$7731.81
10/04/04	FS RECONCILE EXPENDITURES W/MITCHELL; REVISE SCHEDULES.	2.00	\$ 200.00
10/11/04	FS RECONCILE EXPENDITURES; UPDATE INPUT; REVISE SCHEDULES; MEET W/WMSI, HOFFMAN.	7.00	700.00
10/18/04	FS PREPARE SUPPORT DOCUMENTS FOR AUDIT. FOR CURRENT SERVICES RENDERED	<u>2.00</u> 11.00	<u>200.00</u> \$1100.00

EXPENSES

PAYMENTS AND CREDITS FOR EXPENSES  
11/18/04 PAYMENT, as of

- 0.00

BALANCE DUE

=====  
\$8831.81



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---

**Management & Regulatory Consultants, Inc.**

WATER MANAGEMENT SERVICES, INC.  
MR. GENE BROWN  
3848 KILLEARN COURT  
TALLAHASSEE, FL 32308

12/21/04  
20031.40

CONSULTING - RE SUPPLY MAIN - LIMITED PROCEEDING

PREVIOUS BALANCE \$8831.81

HOURS

Week of:

11/29/04 FS ASSIST W/AUDIT RESPONSE.

3.00 300.00

FOR CURRENT SERVICES RENDERED

3.00 \$ 300.00

EXPENSES

PAYMENTS AND CREDITS FOR EXPENSES

12/21/04 PAYMENT, as of

- 667.00

BALANCE DUE

=====  
\$8464.81





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---

**Management & Regulatory Consultants, Inc.**

WATER MANAGEMENT SERVICES, INC.  
MR. GENE BROWN  
3848 KILLEARN COURT  
TALLAHASSEE, FL 32308

06/15/04  
20031.40

CONSULTING - RE SUPPLY MAIN - LIMITED PROCEEDING

PREVIOUS BALANCE		\$4510.81
	HOURS	
05/17/04 FS ASSIST WITH DETERMINING SUPPLY MAIN RETIREMENT.	1.50	150.00
05/31/04 FS ASSIST WITH DETERMINING SUPPLY MAIN RETIREMENT.	<u>0.75</u>	<u>75.00</u>
FOR CURRENT SERVICES RENDERED	2.25	\$ 225.00

EXPENSES

PAYMENTS AND CREDITS FOR EXPENSES  
05/25/04 PAYMENT

- 326.00  
=====

BALANCE DUE

\$4409.81



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e-mail: frankden@nettally.com

**Management & Regulatory Consultants, Inc.**

WATER MANAGEMENT SERVICES, INC.  
MR. GENE BROWN  
3848 KILLEARN COURT  
TALLAHASSEE, FL 32308

07/16/04  
20031.40

CONSULTING - RE SUPPLY MAIN - LIMITED PROCEEDING

	PREVIOUS BALANCE		\$4409.81
<u>Week of:</u>		HOURS	
06/01/04	FS ASSIST WITH ACCOUNTING FOR RETIREMENT OF SUPPLY MAINS.	2.00	150.00
06/28/04	FS COMMENCE PREPARATION OF TRUEUP AND FINAL RATE DETERMINATION.	<u>2.00</u>	<u>200.00</u>
	FOR CURRENT SERVICES RENDERED	4.00	\$ 400.00

EXPENSES

PAYMENTS AND CREDITS FOR EXPENSES

06/21/04	PAYMENT	-	663.00
07/16/04	PAYMENT	-	663.00
			=====
	BALANCE DUE		\$3483.81



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Phone or Fax (850) 877-0673  
e-mail: frankden@nettally.com

---

**Management & Regulatory Consultants, Inc.**

WATER MANAGEMENT SERVICES, INC.  
MR. GENE BROWN  
3848 KILLEARN COURT  
TALLAHASSEE, FL 32308

08/16/04  
20031.40

CONSULTING - RE SUPPLY MAIN - LIMITED PROCEEDING

<u>Week of:</u>	PREVIOUS BALANCE	HOURS	
			\$3483.81
07/01/04 FS PREPARE PHASE III TRUE UP AND ANALYSIS.		8.00	800.00
07/05/04 FS PREPARE PHASE III TRUE UP AND ANALYSIS.		15.00	1500.00
07/12/04 FS PREPARE PHASE III TRUE UP AND ANALYSIS.		<u>17.00</u>	<u>1700.00</u>
FOR CURRENT SERVICES RENDERED		40.00	\$4000.00

EXPENSES

PAYMENTS AND CREDITS FOR EXPENSES  
08/16/04 PAYMENT, as of

- 0.00  
=====

BALANCE DUE

\$7483.81



P.O. Box 13427  
Tallahassee, FL 32317-3427  
Phone or Fax (850) 877-0673  
e-mail: frankden@nettally.com

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**Management & Regulatory Consultants, Inc.**

WATER MANAGEMENT SERVICES, INC.  
MR. GENE BROWN  
3848 KILLEARN COURT  
TALLAHASSEE, FL 32308

09/10/04  
20031.40

CONSULTING - RE SUPPLY MAIN - LIMITED PROCEEDING

<u>Week of:</u>	PREVIOUS BALANCE	HOURS	\$7483.81
08/02/04 FS PREPARE DRAFT OF PHASE III PETITION.		7.00	700.00
08/09/04 FS REVISE PHASE III PETITION AND SCHEDULES PER DISCUSSIONS W/WMSI.		4.50	450.00
08/23/04 FS ADDITIONAL REVISIONS TO PETITION & SCHEDULES PER DISCUSSIONS W/WMSI. FOR CURRENT SERVICES RENDERED		<u>5.00</u>	<u>500.00</u>
		16.50	\$1650.00

EXPENSES

PAYMENTS AND CREDITS FOR EXPENSES  
08/26/04 PAYMENT

- 735.00  
=====

BALANCE DUE

\$8398.81

# CRS Accounting & Consulting Services

Week Ended January 7, 2004

<u>Date</u>	<u>Day</u>	<u>Hours</u>	<u>Comments</u>
1/4/2004	Tuesday	5	
1/5/2004	Wednesday	5	
1/6/2004	Thursday	5	
1/7/2004	Friday	5	
Total Hours		20	
Hourly Rate		<u>\$60.00</u>	
<b>Total Due</b>		<b><u>\$1,200.00</u></b>	Make check payable to Corrie R Symons

## Summary of Work Performed

<u>Hours</u>	<u>Total Cost</u>	<u>Work Performed</u>
9	\$540.00	Fixed asset conversion to FAS First Step for Peachtree
6	\$360.00	Rate Case Data Review & Preparation
5	<u>\$300.00</u>	Export from Inhance/Import into Peachtree
	\$1,200.00	



# CRS Accounting & Consulting Services

Week Ended December 24, 2004

Date	Day	Hours	Comments
12/21/2004	Tuesday	4	Fixed assets
12/22/2004	Wednesday	3	Fixed assets

Total Hours 7

Hourly Rate \$60.00

**Total Due** \$420.00 Make check payable to Corrie R Symons

## Summary of Work Performed

<u>Hours</u>	<u>Total Cost</u>	<u>Work Performed</u>
4	\$240.00	Fixed asset conversion to FAS First Step for Peachtree
1	<b>\$60.00</b>	<b>Rate Case Data Review &amp; Preparation</b>
2	<u>\$120.00</u>	Export from Inhance/Import into Peachtree
	<u>\$420.00</u>	



Total \$ 11,980.68

Law Office  
**NICHOLAS YONCLAS, P.A.**  
35 Island Drive- Suite 10  
Eastpoint, Florida 32328

**NICK YONCLAS**  
Board Certified Civil Trial Lawyer  
Certified Circuit Court Mediator

**MAILING ADDRESS**  
Post Office Box 386  
Eastpoint, FL 32328

**PHONE:** (850) 670-1616  
**FAX:** (850) 670-1618

January 26, 2003

Gene Brown, Esquire  
3848 Killearn Court  
Tallahassee, Florida 32308

Re: WMSI – New Water Tower

**STATEMENT**

For services and disbursements rendered in connection with the above matter for  
December, 2003:

DATE	TIME	SERVICES
12/4/03	0.2 hrs.	Telephone conference with Mr. Pierce, County Planner, re opposition to County assistance on new from Ms. Sanders and Mr. Day;
12/5/03	0.2 hrs.	Telephone conference with Mr. Riley, Public Counsel's Office, re status of site selection process, re input from Mr. Pierce, County Planner, on complaint from Ms. Sanders and Mr. Day and re other possible solutions;
12/16/03	0.5 hrs.	Telephone conference with Mr. Reilly, Public Counsel's Office, re status of site selection, re possible switch to non-tower solution and re further meetings with St. George Island residents; telephone conference with Mr. Brown re same;

FEE FOR SERVICES	0.9 hrs. @ \$125/hr.	\$ 112.50
PREVIOUS BALANCE		\$1,537.50
<b>TOTAL DUE THIS STATEMENT</b>		<b>\$1,650.00</b>

Law Office  
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35 Island Drive- Suite 10  
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**NICK YONCLAS**  
Board Certified Civil Trial Lawyer  
Certified Circuit Court Mediator

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Post Office Box 386  
Eastpoint, FL 32328

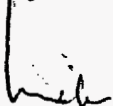
**PHONE:** (850) 670-1616

**FAX:** (850) 670-1618

**IMPORTANT BILLING AND OTHER MATTERS**

1. Our billing statement this month is later than usual because Jean, my assistant, and I were each out of the office for one week at different times. We will get back on track next month, sending the statements out between the 10<sup>th</sup> and 15<sup>th</sup> of the month(s).
2. Since I began my practice in Franklin County in July, 1996, my hourly rate for services in Franklin County matters has been \$125.00 per hour. Of course, the cost of operating most businesses has increased in the intervening 8 years, and the cost of operating my practice is no exception. In order to meet those higher costs, I am obliged to raise my hourly rate, and effective March 1, 2004, my new hourly rate for services in Franklin County matters will be \$150.00 per hour.
3. I plan to close down my law practice and retire at the end of December, 2005, two years from now. I should be able to complete most matters which are in my office by that time. However, that deadline may preclude me from taking on any new matters which might go beyond December, 2005. I wanted to make you aware of my retirement plans so that you can plan ahead accordingly, if necessary.

Thank you for your understanding.



Nicholas Yonclas



Law Office  
**NICHOLAS YONCLAS, P. A.**  
35 Island Drive- Suite 10  
Eastpoint, Florida 32328

**NICK YONCLAS**  
Board Certified Civil Trial Lawyer  
Certified Circuit Court Mediator

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Post Office Box 386  
Eastpoint, FL 32328

**PHONE:** (850) 670-1616

**FAX:** (850) 670-1618

October 10, 2003

Gene Brown, Esquire  
3848 Killearn Court  
Tallahassee, Florida 32308

Re: WMSI – New Water Tower

---

**S T A T E M E N T**

---

For services and disbursements rendered in connection with the above matter for September, 2003:

<b>DATE</b>	<b>TIME</b>	<b>SERVICES</b>
9/12/03	0.5 hrs.	Telephone conference with Mr. Brown re facts and representation in new matter involving new water tower and negotiating with County on site; research re legality of reverter clauses;
9/15/03	0.3 hrs.	Telephone conference with Mr. Brown re strategy of dealing with county and citizenry on new water tower issue and re not including other lands in possible swap for Third Street end site;
9/18/03	0.5 hrs.	Telephone conference with Mr. Riley, Public Counsel Office, re facts, issues and handling of new water tower site possibility;
9/18/03	0.2 hrs.	Telephone conference with Mr. Brown re results of telephone conference with Mr. Riley, Public Counsel's Office, and re follow-up on same;

9/24/03

2.0 hrs.

Meeting in Tallahassee with Mr. Brown and Public Counsel's Office representative re possibility of second tower and land for same;

FEE FOR SERVICES 3.5 hrs. @ \$125/hr.

\$437.50

TOTAL DUE THIS STATEMENT

\$437.50

A handwritten signature in black ink, appearing to be "J. K. [unclear]", is located in the bottom right corner of the document.

Law Office  
**NICHOLAS YONCLAS, P.A.**  
35 Island Drive- Suite 10  
Eastpoint, Florida 32328

**NICK YONCLAS**  
Board Certified Civil Trial Lawyer  
Certified Circuit Court Mediator

**MAILING ADDRESS**  
Post Office Box 386  
Eastpoint, FL 32328

**PHONE:** (850) 670-1616

**FAX:** (850) 670-1618

November 10, 2003

Gene Brown, Esquire  
3848 Killearn Court  
Tallahassee, Florida 32308

Re: WMSI – New Water Tower

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**S T A T E M E N T**

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For services and disbursements rendered in connection with the above matter for October, 2003:

<b>DATE</b>	<b>TIME</b>	<b>SERVICES</b>
10/28/03	1.0 hrs.	Telephone conference with Mr. Brown re discussion with Public Counsel's Office and re proceeding with notification to Franklin County Commission at next meeting; telephone conference with Mrs. Brown at local WMSI office re scheduling appearance before Franklin County Commission; telephone conference with Mr. Reilly at Public Counsel's Office re facts/issues and re County Commission presentation;
10/29/03	0.6 hrs.	Telephone conference with Mr. Brown re Reilly's expected later involvement and re going ahead with scheduled Franklin County Commission meeting on placement of new water tower; further telephone conversation with Mr. Brown re agreement with Mr. Reilly not to be site specific at County Commission meeting and re dealing generally with County Commission at initial meeting (information purposes);
10/30/03	1.5 hrs.	Telephone conference with Mr. Reilly re contents of presentation to Franklin County Commission and re his schedule of activities after same; conference with Mr. Brown

*We agree this goes into CWIP for limited proceeding of Mr. Brown*

and Mr. Garrett re facts for County Commission presentation;  
telephone conference with Mr. Pearce, County Planning Office  
re heads-up on County Commission presentation;

FEE FOR SERVICES	3.1 hrs. @ \$125/hr.	\$387.50
TOTAL DUE THIS STATEMENT		\$387.50

Law Office  
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Certified Circuit Court Mediator

**MAILING ADDRESS**  
Post Office Box 386  
Eastpoint, FL 32328

**PHONE:** (850) 670-1616

**FAX:** (850) 670-1618

December 10, 2003

Gene Brown, Esquire  
3848 Killearn Court  
Tallahassee, Florida 32308

Re: WMSI – New Water Tower

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**S T A T E M E N T**

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For services and disbursements rendered in connection with the above matter for November, 2003:

<b>DATE</b>	<b>TIME</b>	<b>SERVICES</b>
11/4/03	3.2 hrs.	Preparation of remarks for County Commission meeting; attend County Commission meeting; conference with Mr. Garrett, Mr. Hoffman and Mr. Harper (SGI Rep) after same re future meetings; telephone conference with Mr. Shuler, County Attorney, re possible problem with donating public land for private purpose;
11/5/03	0.3 hrs.	Telephone conference with Mr. Brown re report on County Commission meeting, on subsequent meeting with Mr. Harper of Civic Club and re telephone conference with Mr. Shuler (public purpose issue) and re attending follow-up meeting with all parties involved;
11/6/03	2.0 hrs.	Attend meeting at SGI Fire House with Mr. Garrett, Mr. Harper, Mr. Bean, Mrs. Culbertson and Public Counsel Office's Mr. Reilly;
11/10/03	0.3 hrs.	Telephone conference with Mr. Brown re results of meeting with St. George Island representatives on site selection and re pressing for early resolution with County and Public Counsel's Office;

11/12/03	0.2 hrs.	Telephone conference with Mr. Reilly re status of site selection process and re timing concerns; telephone conference with Mr. Brown re same; telephone conference with Mr. Riley re same;
11/18/03	0.2 hrs.	Telephone conference with Mr. Brown re attending next SGI Civic Club meeting and re Plantation's rejection of new tower site;
11/20/03	1.6 hrs.	Conference with Mr. Reilly of Public Counsel's Office and Mr. Abbott of St. George Fire Department, along with Mr. Garrett, re status of site selection; attend SGI Civic Club meeting re same;
11/21/03	1.0 hrs.	Telephone conference with Mr. Brown re results of SGI Civic Club meeting and re other alternatives raised by Mr. Reilly, Public Counsel's Office; conference with Mr. Reilly re results of meeting with Ms. Spohrer on possible site for new tower and re future time schedule/coordinating;
11/24/03	0.4 hrs.	Telephone conference with Mr. Brown re report on meeting with Mr. Reilly of Public Counsel's Office (eagles nest problem) and re favoring 3 <sup>rd</sup> Street as best option; telephone conference with Mr. Reilly re same and re reporting to Mr. Brown;

FEE FOR SERVICES	9.2 hrs. @ \$125/hr.	\$1,150.00
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PREVIOUS BALANCE		\$ 387.50
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TOTAL DUE THIS STATEMENT		\$1,537.50
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Handwritten signatures and initials, including a signature that appears to be 'JK' and another that appears to be 'JG'.

Law Office  
**NICHOLAS YONCLAS, P.A.**  
35 Island Drive- Suite 10  
Eastpoint, Florida 32328

**NICK YONCLAS**  
Board Certified Civil Trial Lawyer  
Certified Circuit Court Mediator

**MAILING ADDRESS**  
Post Office Box 386  
Eastpoint, FL 32328

**PHONE:** (850) 670-1616

**FAX:** (850) 670-1618

RECEIVED

APR 21 2004

Reminder  
4/15/04

March 15, 2004

Gene Brown, Esquire  
3848 Killearn Court  
Tallahassee, Florida 32308

Re: WMSI – New Water Tower

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**STATEMENT**

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For services and disbursements rendered in connection with the above matter for February, 2004:

<b>DATE</b>	<b>TIME</b>	<b>SERVICES</b>
2/4/03	0.1 hrs.	Telephone conference with Mr. Brown re recent events at Civic Club and re understanding on resolution reached per Mr. Reilly, Public Counsel's office;

FEE FOR SERVICES 0.1 hrs. @ \$125/hr. \$ 12.50

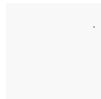
PREVIOUS BALANCE \$1,650.00

TOTAL DUE THIS STATEMENT \$1,662.50

Pay May  
per GDB

**DOCKET NO. 000694-WS**

**WATER MANAGEMENT SERVICES, INC.'S  
RESPONSE TO STAFF'S SECOND DATA REQUEST,  
ITEM NO. 2**





**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**AND**

**WATER MANAGEMENT SERVICES, INC., FLORIDA**

**DRINKING WATER STATE REVOLVING FUND  
CONSTRUCTION LOAN AGREEMENT**

**DW1901 010**

Florida Department of Environmental Protection  
Bureau of Water Facilities Funding  
Twin Towers Office Building  
2600 Blair Stone Road, MS 3505  
Tallahassee, Florida 32399-2400

# DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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# DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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**DRINKING WATER STATE REVOLVING FUND  
CONSTRUCTION LOAN AGREEMENT**

**DW1901 010**

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and WATER MANAGEMENT SERVICES, INC. (Project Sponsor) existing as a for profit corporation under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to Section 403.8532, Florida Statutes, the Department is authorized to make loans to finance or refinance the construction of public Water Systems, the planning and design of which have been reviewed by the Department; and

WHEREAS, the Project Sponsor has made application for the financing of the Project, and the Department has determined that such Project meets all requirements for a loan.

NOW, THEREFORE, in consideration of the Department loaning money to the Project Sponsor, in the principal amount and pursuant to the covenants hereinafter set forth, it is agreed as follows:

**ARTICLE I - DEFINITIONS**

**1.01. WORDS AND TERMS.**

Words and terms used herein shall have the meanings set forth below:

- (1) "Agreement" or "Loan Agreement" shall mean this construction loan agreement.
- (2) "Authorized Representative" shall mean the officer of the Project Sponsor authorized to sign documents associated with the Loan.
- (3) "Capitalized Interest" shall mean the interest accruing on Loan proceeds from the time of disbursement until six months before the first Semiannual Loan Payment is due. Capitalized Interest is financed as part of the Loan principal.
- (4) "Depository" shall mean a bank or trust company, having a combined capital and unimpaired surplus of not less than \$50 million, authorized to transact commercial banking or savings and loan business in the State of Florida and insured by the Federal Deposit Insurance Corporation.
- (5) "Gross Revenues" shall mean all income or earnings received by the Project Sponsor from the ownership or operation of its Water System, including investment income, all as calculated in accordance with generally accepted accounting principles. Gross Revenues shall not include proceeds from the sale or other disposition of any part of the Water System, condemnation awards or proceeds of insurance, except use and occupancy or business interruption insurance, received with respect to the Water System.

(6) "Intercreditor Agreement" shall mean the agreement between the Department and The Citizens Bank of Perry.

(7) "Loan" shall mean the amount of money to be loaned pursuant to this Agreement and subsequent amendments.

(8) "Loan Application" shall mean the completed form which provides all information required to support obtaining construction loan financial assistance.

(9) "Loan Repayment Reserve Account" or "Loan Repayment Reserve" shall mean the escrowed account into which will be deposited the amount set aside to pay temporary and unexpected deficiencies, if any, in the Semiannual Loan Payment.

(10) "Loan Service Fee" shall mean an origination fee which shall be paid to the Department by the Project Sponsor.

(11) "Operation and Maintenance Expense" shall mean the costs of operating and maintaining the Water System determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from Gross Revenues, depreciation, and any other items not requiring the expenditure of cash.

(12) "Pledged Revenues" shall mean the specific revenues pledged as security for repayment of the Loan and shall be the Gross Revenues derived yearly from the operation of the Water System after payment of the Operation and Maintenance Expense and the satisfaction of all yearly payment obligations on account of the Senior Revenue Obligations.

(13) "Project" shall mean the works financed by this Loan and shall consist of furnishing all labor, materials, and equipment to construct the water main and water treatment plant improvements in accordance with the plans and specifications accepted by the Department for the following contracts:

(a) Water System Improvements (WSI 1) Water Plant and Non-Bridge Water Main.

(b) Water System Improvements (WSI-2) New 12-inch Ductile Iron Raw Water Main on New DOT Bridge.

The Project also includes the purchase of land.

The Project is in agreement with the St. George Island Water Facilities Plan, dated September 15, 2001. Approval of this Project is provided by the Florida Categorical Exclusion Notification dated November 22, 2000. The Project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

(14) "Semiannual Loan Payment" shall mean the payment due from the Project Sponsor to the Department at six-month intervals, and it is comprised of principal and interest. In addition, the Loan Service Fee and all associated interest are deducted from the first two payments.

(15) "Senior Revenue Obligations" shall mean The Citizens Bank of Perry, Florida, term loan in the amount of \$1,900,000, dated September 20, 2000.

(16) "Water System" shall mean all facilities owned, operated or leased by the Project Sponsor or any of its affiliated entities for supplying and distributing water for residential, commercial, industrial, and governmental use.

## 1.02. CORRELATIVE WORDS.

Words of the masculine gender shall be understood to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

## ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

### 2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Project Sponsor warrants, represents and covenants that:

(1) The Project Sponsor has full power and authority to enter into this Agreement and to comply with the provisions hereof.

(2) The Project Sponsor currently is not the subject of bankruptcy, insolvency, or reorganization proceedings and is not in default of, or otherwise subject to, any agreement or any law, administrative regulation, judgment, decree, note, resolution, charter or ordinance which would currently restrain or enjoin it from entering into, or complying with, this Agreement.

(3) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body, pending or, to the best of the Project Sponsor's knowledge, threatened, which seeks to restrain or enjoin the Project Sponsor from entering into or complying with this Agreement.

(4) All permits, real property interests, and approvals required as of the date of this Agreement have been obtained for construction and use of the Project. The Project Sponsor knows of no reason why any future required permits or approvals are not obtainable.

(5) The Project Sponsor shall undertake the Project on its own responsibility, to the extent permitted by law.

(6) To the extent permitted by law, the Project Sponsor shall release and hold harmless the State, its officers, members, and employees from any claim arising in connection with the Project Sponsor's actions or omissions in its planning, engineering, administrative, and construction activities financed by this Loan or its operation of the Project.

(7) All Project Sponsor representations to the Department, pursuant to the Loan Application and Agreement, were true and accurate as of the date such representations were made. The financial information delivered by the Project Sponsor to the Department was current and correct as of the date such information was delivered. The Project Sponsor shall comply with Chapter 62-552, Florida Administrative Code, and all applicable State and Federal laws, rules, and regulations which are identified in the Loan Application or Agreement. Minority and Women's Business Enterprise goals as stated in the plans and specifications apply to this Project. To the extent that any assurance,

representation, or covenant requires a future action, the Project Sponsor shall take such action as is necessary for compliance.

(8) The Project Sponsor shall maintain records using Generally Accepted Accounting Principles established by the Financial Accounting Standards Board. As part of its bookkeeping system, the Project Sponsor shall keep accounts of the Water System separate from all other accounts and it shall keep accurate records of all revenues, expenses, and expenditures relating to the Water System, and of the Pledged Revenues, Loan disbursement receipts, and Loan Repayment Reserve Account.

(9) In the event the anticipated Pledged Revenues are shown by the Project Sponsor's annual budget to be insufficient to make the Semiannual Loan Payments for such Fiscal Year when due, the Project Sponsor shall include in such budget other legally available funds which will be sufficient, together with the Pledged Revenues, to make the Semiannual Loan Payments. Such other legally available funds shall be budgeted in the regular annual budget and designated for the purpose provided by this Subsection, and the Project Sponsor shall collect such funds for application as provided herein. The Project Sponsor shall notify the Department immediately in writing of any such budgeting of other legally available funds. Nothing in this covenant shall be construed as creating a pledge, lien, or charge upon any such other legally available funds or preventing the Project Sponsor from pledging to the payment of any bonds or other obligations all or any part of such other legally available funds.

(10) Beginning with the Fiscal Year in which the Loan Agreement is executed and continuing for each year thereafter until the Loan is retired, the Project Sponsor shall submit annual audit reports to the Department. The audits shall be conducted under the Office of Management and Budget Circular A-133 if expenditures, during the fiscal year, of all Federal awards total \$300,000 or more. (Federal funds for this Loan are provided by the U.S. Department of Environmental Protection Agency's Capitalization Grants for the Drinking Water State Revolving Fund, CFDA No. 66.468.) If Circular A-133 is not applicable, the audit shall be conducted in accordance with generally accepted auditing standards. All audits shall address at a minimum the Project Sponsor's financial condition, accounts of the Water System or other sources generating the Pledged Revenues, Loan disbursements received and Project expenditures (if any), and compliance with the Loan Agreement covenants. Beginning with the Fiscal Year of the first Semiannual Loan Payment, the scope of audits shall encompass the Loan Debt Service Account and Loan Repayment Reserve Account. The Project Sponsor shall cause its auditor to notify the Department immediately if anything comes to the auditor's attention during the annual examination of the Project Sponsor's records that would constitute a default under the Loan Agreement.

(11) Within 12 months of the amendment establishing final Project costs, the Project Sponsor shall submit to the Department a separate audit, by an independent certified public accountant, of the Project revenues, including receipt of disbursements under financial assistance agreements, and expenditures. The audit shall be conducted in accordance with generally accepted auditing standards. The audit shall address whether the Project Sponsor complied with requirements set forth in the Loan Agreement, including applicable State and Federal laws and regulations referenced in Subsection (7) above. The audit findings shall set aside or question any costs that are unallowable under Chapter 62-552, Florida Administrative Code. A final determination of the allowability of such costs shall be made by the Department.

(12) Each year, beginning three months before the first Semiannual Loan Payment and ending with the year during which the final Loan repayment is made, the Project Sponsor's Authorized Representative or its chief financial officer shall submit, pursuant to the schedule established in Section 10.07, a certification that: (a) Pledged Revenue collections satisfy the rate coverage requirement;

(b) the Loan Repayment Reserve Account contains the funds required; and (c) insurance in effect for the facilities generating the Pledged Revenues adequately covers the customary risks to the extent that such insurance is available.

(13) Pursuant to Section 216.347 of the Florida Statutes, the Project Sponsor shall not use the Loan proceeds for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(14) The Project Sponsor agrees to construct the Project in accordance with the Project schedule. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Project Sponsor are excepted. If for any reason construction is not completed as scheduled, there shall be no resulting diminution or delay in the Semiannual Loan Payment or funding of the Loan Repayment Reserve Account.

(15) The Project Sponsor covenants that this Agreement is entered into for the purpose of constructing the Project which will in all events serve a public purpose. The Project Sponsor covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

(16) The Project Sponsor shall not, during the life of this Agreement, cause or permit voluntary dissolution of its corporation, merge, or consolidate with any other entity, without obtaining the prior written consent of the Department.

## 2.02. LEGAL AUTHORIZATION.

Upon signing this Agreement, the Project Sponsor's legal counsel covenants that:

(1) This Agreement has been duly authorized by the Project Sponsor and shall constitute a valid and legal obligation of the Project Sponsor in accordance with its terms upon execution by both parties; and

(2) This Agreement specifies the revenues pledged for repayment of the Loan, and the pledge is valid and enforceable.

## ARTICLE III - RESERVE ACCOUNT

### 3.01. LOAN REPAYMENT RESERVE ACCOUNT.

A Loan Repayment Reserve Account shall be established with a Depository. The Project Sponsor shall deposit into the account the reserve amount identified in Section 10.07 by the date set forth therein. Loan proceeds are provided for a portion of the deposit. In addition, the Project Sponsor shall use its own funds to deposit an amount equal to one Semiannual Loan Payment in lieu of maintaining a debt service account. The Loan Repayment Reserve Account shall be set up as an interest bearing account or invested in certificates of deposit, and all interest earnings shall accrue to the account.

### 3.02. LOAN REPAYMENT RESERVE WITHDRAWALS.

Withdrawals from the Loan Repayment Reserve Account shall be made only with the written consent of the Department and shall be used to cure a temporary and unexpected deficiency in any Semiannual Loan Payment. Any unused portion of the reserve account shall be used for the final



Semiannual Loan Payment(s) or for discharging the Project Sponsor's obligations pursuant to Section 8.01.

At the time the Loan Repayment Reserve Account is established, the Project Sponsor shall assign the account to the Department by letter to the Depository, substantially in the form presented in Attachment A.

### 3.03. RESTORATION OF LOAN REPAYMENT RESERVE ACCOUNT.

A default causing the Project Sponsor to use the Loan Repayment Reserve Account or the use of the account to prevent default shall result in the Project Sponsor being responsible for making special deposits to restore the account. Special restoration deposits shall be made from the first moneys legally available to the Project Sponsor for such purpose.

### 3.04. ASSETS HELD IN TRUST.

The assets in the Loan Repayment Reserve Account shall be held in trust for the purposes provided herein and used only for the purposes and in the manner prescribed in this Agreement; and, pending such use, said assets shall be subject to a lien and charge in favor of the Department.

## ARTICLE IV - PROJECT INFORMATION

### 4.01. PROJECT CHANGES.

Project changes prior to bid opening shall be made by addendum to plans and specifications. Changes after bid opening shall be made by change order. The Project Sponsor shall submit all addenda and all change orders to the Department. All change orders require an eligibility determination by the Department. After execution of all construction, equipment and materials contracts, the Project contingency may be reduced.

### 4.02. TITLE TO PROJECT SITE.

The Project Sponsor shall have an interest in real property sufficient for the construction and location of the Project free and clear of liens and encumbrances which would impair the usefulness of such sites for the intended use.

### 4.03. PERMITS AND APPROVALS.

The Project Sponsor shall have obtained, prior to the Department's authorization to award construction contracts, all permits and approvals required for construction of the Project or portion of the Project funded under this Agreement.

### 4.04. ENGINEERING SERVICES.

A professional engineer, registered in the State of Florida, shall be employed by, or under contract with, the Project Sponsor to oversee construction.

#### 4.05. PROHIBITION AGAINST ENCUMBRANCES.

The Project Sponsor is prohibited from selling, leasing or disposing of any part of the Water System which would materially reduce operational integrity or Gross Revenues so long as this Agreement, including any amendments thereto, is in effect unless the written consent of the Department is first secured.

#### 4.06. COMPLETION MONEYS.

In addition to the proceeds of this Loan, the Project Sponsor covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete construction and place the Project in operation on, or prior to, the date specified in Article X. Failure of the Department to approve additional financing shall not constitute a waiver of the Project Sponsor's covenants to complete and place the Project in operation.

#### 4.07. CLOSE-OUT.

The Department shall conduct a final inspection of the Project and Project records. Following the inspection, deadlines for submitting additional disbursement requests, if any, shall be established, along with deadlines for uncompleted Loan requirements, if any. Deadlines shall be incorporated into the Loan Agreement by amendment. The Loan principal shall be reduced by any excess over the amount required to pay all approved costs. As a result of such adjustment, the Semiannual Loan Payment shall be reduced accordingly, as addressed in Section 10.05.

#### 4.08. LOAN DISBURSEMENTS.

Disbursements shall be made only by the State Comptroller and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Project Sponsor for engineering and administration allowances, reimbursement of the incurred construction costs and related services and establishing a Loan Repayment Reserve Account. Disbursement of the allowances shall be made upon the Department's receipt of a disbursement request form. Disbursements for materials, labor, or services shall be made upon receipt of the following:

(1) A completed disbursement request form signed by the Authorized Representative. Such requests must be accompanied by sufficiently itemized summaries of the materials, labor, or services to identify the nature of the work performed; the cost or charges for such work; and the person providing the service or performing the work.

(2) A certification signed by the Authorized Representative as to the current estimated costs of the Project; that the materials, labor, or services represented by the invoice have been satisfactorily purchased, performed, or received and applied to the project; that all funds received to date have been applied toward completing the Project; and that under the terms and provisions of the contracts, the Project Sponsor is required to make such payments.

(3) A certification by the engineer responsible for overseeing construction stating that equipment, materials, labor and services represented by the construction invoices have been satisfactorily purchased, or received, and applied to the Project in accordance with construction contract documents; stating that payment is in accordance with construction contract provisions; stating that construction, up to the point of the requisition, is in compliance with the contract documents; and identifying all additions

or deletions to the Project which have altered the Project's performance standards, scope, or purpose since the issue of the Department construction permit.

(4) Such other certificates or documents by engineers, attorneys, accountants, contractors, or suppliers as may reasonably be required by the Department.

## ARTICLE V - RATES AND USE OF THE WATER SYSTEM

### 5.01. RATE COVERAGE.

The Project Sponsor shall maintain rates and charges for the services furnished by the Water System which will be sufficient to provide, in each Fiscal Year, Pledged Revenues equal to or exceeding 1.15 times the sum of the Semiannual Loan Payments due in such Fiscal Year. In addition, the Project Sponsor shall satisfy the coverage requirements of all senior and parity debt obligations.

### 5.02. NO FREE SERVICE.

The Project Sponsor shall not permit connections to, or furnish any services afforded by, the Water System without making a charge therefor based on the Project Sponsor's uniform schedule of rates, fees, and charges.

### 5.03. NO COMPETING SERVICE.

The Project Sponsor shall not allow any person to provide any services which would compete with the Water System so as to adversely affect Gross Revenues.

### 5.04. MAINTENANCE OF THE WATER SYSTEM.

The Project Sponsor shall operate and maintain the Water System in a proper, sound and economical manner and shall make all necessary repairs, renewals and replacements.

### 5.05. ADDITIONS AND MODIFICATIONS.

The Project Sponsor may make any additions, modifications or improvements to the Water System which it deems desirable and which do not materially reduce the operational integrity of any part of the Water System. All such renewals, replacements, additions, modifications and improvements shall become part of the Water System.

### 5.06. COLLECTION OF REVENUES.

The Project Sponsor shall use its best efforts to collect all rates, fees and other charges due to it. The Project Sponsor shall establish liens on premises served by the Water System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Project Sponsor shall, to the full extent permitted by law, cause to discontinue the services of the Water System and use its best efforts to shut off water service furnished to persons who are delinquent beyond customary grace periods in the payment of Water System rates, fees and other charges.

## ARTICLE VI - DEFAULTS AND REMEDIES

### 6.01. EVENTS OF DEFAULT.

Each of the following events is hereby declared an event of default:

(1) Failure to fund the Loan Repayment Reserve Account or to make any installment of the Semiannual Loan Payment when it is due and such failure shall continue for a period of 15 days.

(2) Except as provided in Subsections 6.01(1) and 6.01(7), failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement and such failure shall continue for a period of 60 days after written notice thereof to the Project Sponsor by the Department.

(3) Any warranty, representation or other statement by, or on behalf of, the Project Sponsor contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading.

(4) An order or decree entered, with the acquiescence of the Project Sponsor, appointing a receiver of any part of the Water System or Gross Revenues thereof; or if such order or decree, having been entered without the consent or acquiescence of the Project Sponsor, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.

(5) Any proceeding instituted, with the acquiescence of the Project Sponsor, for the purpose of effecting a composition between the Project Sponsor and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Gross Revenues of the Water System.

(6) Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the Project Sponsor under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Project Sponsor, is not dismissed within 60 days after filing.

(7) Failure of the Project Sponsor to give immediate written notice of default to the Department and such failure shall continue for a period of 30 days.

### 6.02. REMEDIES.

Upon any event of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by any of the following remedies:

(1) By mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Water System, and to require the Project Sponsor to fulfill this Agreement.

(2) By action or suit in equity, require the Project Sponsor to account for all moneys received from the Department or from the ownership of the Water System and to account for the receipt, use, application, or disposition of the Pledged Revenues.

(3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department.

(4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Water System, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement.

(5) By charging a six percent penalty, expressed as an annual interest rate, on any delinquent repayment amount due to the Department. Penalty interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment is due.

(6) By notifying financial market credit rating agencies and creditors.

(7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

(8) By accelerating the repayment schedule or increasing the interest rate on the unpaid principal of the Loan to as much as 1.667 times the Loan interest rate for a default under Subsection 6.01(1).

### 6.03. DELAY AND WAIVER.

No delay or omission by the Department to exercise any right or power accruing upon event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient. No waiver or any default under this Agreement shall extend to or affect any subsequent event of default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

## ARTICLE VII - THE PLEDGED REVENUES

### 7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

From and after the effective date of this Agreement, the Department shall have a lien on the Pledged Revenues under this Agreement, which lien is second to the lien of The Citizens Bank of Perry according to the terms and conditions of the Intercreditor Agreement. Any of the Pledged Revenues may be released from the lien on such Pledged Revenues in favor of the Department if the Department makes a determination, based upon facts deemed sufficient by the Department, that the remaining Pledged Revenues will, in each Fiscal Year, equal or exceed 1.15 times the debt service coming due in each Fiscal Year under the terms of this Agreement.

## ARTICLE VIII - GENERAL PROVISIONS

### 8.01. DISCHARGE OF OBLIGATIONS.

All payments required to be made under this Agreement shall be cumulative and any deficiencies in any Fiscal Year shall be added to the payments due in the succeeding year and all years thereafter until fully paid. Payments shall continue to be secured by this Agreement until all of the payments required shall be fully paid to the Department. If at any time the Project Sponsor shall have paid, or shall have made provision for the timely payment of, the entire principal amount of the Loan and interest, the pledge of, and lien on, the Pledged Revenues to the Department shall be no longer in effect. Deposit of

sufficient cash, securities, or investments, authorized by law from time to time, may be made to effect defeasance of this Loan. However, the deposit shall be made in irrevocable trust with a banking institution or trust company for the sole benefit of the Department. There shall be no penalty imposed by the Department for early retirement of this Loan.

#### 8.02. PROJECT RECORDS AND STATEMENTS.

Books, records, reports, engineering documents, contract documents, and papers shall be available to the authorized representatives of the Department and the U.S. Environmental Protection Agency's Inspector General for inspection at any reasonable time after the Project Sponsor has received a disbursement and before three years have elapsed after the Department's final Project disbursement to the Project Sponsor.

#### 8.03. ACCESS TO PROJECT SITE.

The Project Sponsor shall provide access to Project sites and administrative offices to authorized representatives of the Department at any reasonable time. The Project Sponsor shall cause its engineers and contractors to cooperate during Project inspections, including making available working copies of plans and specifications and supplementary materials.

#### 8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Department may assign any part of its rights under this Agreement after notification to the Project Sponsor. The Project Sponsor shall not assign rights created by this Agreement without the written consent of the Department.

#### 8.05. AMENDMENT OF AGREEMENT.

This Agreement may be amended in writing, except that no amendment shall be permitted which is inconsistent with the Intercreditor Agreement, statutes, rules, regulations, executive orders, or written agreements between the Department and the U.S. Environmental Protection Agency. This Agreement may be amended after all construction contracts are executed to re-establish the Project cost, Loan amount, Project schedule, and Semiannual Loan Payment amount. A final amendment establishing the final Project costs shall be completed after the Department's final inspection of the Project records.

#### 8.06. ANNULMENT OF AGREEMENT.

The Department may unilaterally annul this Agreement if the Project Sponsor has not drawn any of the Loan proceeds within eighteen months after the effective date of this Agreement. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Project Sponsor.

#### 8.07. SEVERABILITY CLAUSE.

If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

## ARTICLE IX - CONSTRUCTION CONTRACTS AND INSURANCE

### 9.01. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACTS.

The following documentation is required to receive the Department's authorization to award construction contracts:

- (1) Proof of advertising.
- (2) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).
- (3) Certified copy of the Project Sponsor's tentative award resolution.
- (4) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.
- (5) Certification by the Authorized Representative that affirmative steps were taken to encourage Minority and Women's Business Enterprises participation in Project construction.
- (6) Current certifications for Minority and Women's Business Enterprises participating in the contract. If the goals as stated in the plans and specifications are not met, documentation of actions taken shall be submitted.

### 9.02. SUBMITTAL OF CONSTRUCTION CONTRACT DOCUMENTS.

After the Department's authorization to award construction contracts has been received, the Project Sponsor shall submit contractor insurance certifications and notices to proceed with construction.

### 9.03. INSURANCE REQUIRED.

The Project Sponsor shall cause the Project, as each part thereof is certified by the engineer responsible for overseeing construction as completed, and the Water System (hereafter referred to as "Revenue Producing Facilities") to be insured by an insurance company or companies licensed to do business in the State of Florida against such damage and destruction risks as are customary for the operation of Revenue Producing Facilities of like size, type and location to the extent such insurance is obtainable from time to time against any one or more of such risks.

The proceeds of insurance policies received as a result of damage to, or destruction of, the Project or the other Revenue Producing Facilities, shall be used to restore or replace damaged portions of the facilities. If such proceeds are insufficient, the Project Sponsor shall provide additional funds to restore or replace the damaged portions of the facilities. Repair, construction or replacement shall be promptly completed.

## ARTICLE X - DETAILS OF FINANCING

### 10.01. PRINCIPAL AMOUNT OF LOAN.

The estimated principal amount of the Loan is \$3,063,000, which consists of \$3,000,000 to be disbursed to the Project Sponsor and \$63,000 of Capitalized Interest.

Capitalized interest is not disbursed to the Project Sponsor, but is amortized via periodic loan repayments to the Department as if it were actually disbursed. Capitalized interest is computed at the interest rate, or rates, set for the Loan. It accrues and is compounded annually from the time when disbursements are made until six months before the first Semiannual Loan Payment is due. Capitalized Interest is estimated prior to establishing the schedule of actual disbursements.

This project is a Segmented Project. Additional State Revolving Fund financing for the Project is dependent upon the availability of additional funds. The current funding limitations and future funding priority entitlement for Segmented Projects are set forth in the Chapter 62-552 of the Florida Administrative Code.

### 10.02. LOAN SERVICE FEE.

The Loan Service Fee is \$58,252 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding the Loan Repayment Reserve and Capitalized Interest amounts; that is, two percent of \$2,912,621. An additional Loan Service Fee amount will be assessed for any additional funding provided by amendment to this Agreement. The fee shall be adjusted downward if adjustment of Project costs results in a Loan decrease, provided that the decrease amendment is executed before the first Semiannual Loan Payment due date.

Interest shall accrue on the Loan Service Fee at the rate, or rates, set for the Loan until the fee is paid. Loan Service Fee interest shall be compounded annually from the effective date of the Loan until six months before the first Semiannual Loan Payment is due at which time it is capitalized. The estimated Loan Service Fee capitalized interest is \$2,470.

### 10.03. INTEREST RATE.

The rate of interest on the unpaid principal of the Loan amount specified in Section 10.01 is 3.05 percent per annum; however, if this Agreement is not executed by the Project Sponsor and returned to the Department before January 1, 2002, the interest rate may be adjusted. A separate interest rate shall be established for any funds provided by amendment to this Agreement.

### 10.04. LOAN TERM.

The Loan shall be repaid in 40 Semiannual Loan Payments.

### 10.05. REPAYMENT SCHEDULE.

The Semiannual Loan Payment shall be computed based upon the principal amount of the Loan plus the Loan Service Fee and Loan Service Fee capitalized interest and the principle of level debt service. The Department will deduct the Loan Service Fee and all associated interest from the first two payments. The Semiannual Loan Payment amount may be adjusted, by amendment of this Agreement, based upon revised information. After the final disbursement of Loan proceeds, the Semiannual Loan



Payment shall be based upon the actual Project costs and actual dates and amounts of disbursements, taking into consideration any previous payments. Actual Project costs shall be established after the Department's inspection of the completed Project and associated records.

Each Semiannual Loan Payment shall be in the amount of \$104,894 until the payment amount is adjusted by amendment. The interest portion of each Semiannual Loan Payment shall be computed on the unpaid balance of the principal amount of the Loan, including Capitalized Interest. Interest also shall be computed on the unpaid balance of the Loan Service Fee and Loan Service Fee capitalized interest. Interest shall be computed as of the due date of each Semiannual Loan Payment.

Semiannual Loan Payments shall be received by the Department beginning on November 15, 2003 and semiannually thereafter on May 15 and November 15 of each year until all amounts due hereunder have been fully paid. Funds transfer shall be made by electronic means.

The Semiannual Loan Payment amount is based on the total amount owed of \$3,123,722, which consists of the Loan principal plus the Loan Service Fee with its capitalized interest.

10.06. PROJECT COSTS.

The Project Sponsor and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this Agreement. Project cost adjustments may be made as a result of construction bidding or mutually agreed upon Project changes. An additional Loan Repayment Reserve Account deposit will be required for any additional funding provided by amendment to this Agreement. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Project Sponsor receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Project Sponsor's Project audit or a Department audit. The Project Sponsor agrees to the following estimates of Project costs:

PROJECT COSTS

CATEGORY	COST(\$)	AUTHORIZED LOAN AMOUNT(\$) TO DATE
(1) Administrative Allowance	34,002	
(2) Engineering Allowance	375,000	<i>Line items</i>
(3) Construction and Demolition	4,978,238	<i>may vary</i>
(4) Contingencies	499,824	<i>based on</i>
(5) Technical Services After Bid Opening	191,000	<i>actual</i>
(6) Land	20,000	<i>Disbursements</i>
SUBTOTAL	6,098,064	2,912,621
(7) Loan Repayment Reserve (Loan Proceeds)*	182,942	87,379
SUBTOTAL(Disbursable Amount)	6,281,006	3,000,000
(8) Capitalized Interest	63,000	63,000
TOTAL (Loan Principal Amount)	6,344,006	3,063,000

\* Loan proceeds for deposit in the Loan Repayment Reserve represent three percent of the Loan amount excluding the Capitalized Interest and the Loan Repayment Reserve portions of the Loan; three percent of \$2,912,621 equals \$87,379 for the Loan amount authorized to date.

#### 10.07. PROJECT.

The Project Sponsor agrees by execution hereof:

- (1) Initiation of Project construction began June 4, 2001.
- (2) Completion of Project construction is scheduled for May 15, 2003.
- (3) The Loan Debt Service Account shall be established and Monthly Loan Deposits shall begin no later than May 15, 2003.
- (4) The Loan Repayment Reserve Account shall be established and \$192,273 shall be deposited no later than May 15, 2003. Loan proceeds are provided in the amount of \$87,379; the Project Sponsor shall use its own funds to deposit \$104,894 (equals one Semiannual Loan Payment) in the reserve for a total deposit amount of \$192,273.
- (5) No later than June 15, 2003, the Project Sponsor shall submit to the Department a copy of the letter assigning the Loan Repayment Reserve Account to the Department, as required under Section 3.02, and documentation that the account has been established.
- (6) The initial annual certification required under Subsection 2.01(12) of this Agreement shall be due August 15, 2003. Thereafter, until the final Semiannual Loan Repayment is made, the certification shall be submitted each year at the time the annual audit report is submitted under Subsection 2.01(10).
- (7) The first Semiannual Loan Payment in the amount of \$104,894 shall be due November 15, 2003.

#### 10.08. SPECIAL CONDITIONS.

(1) The Project Sponsor shall use its own funds to deposit an amount approximately equal to one Semiannual Loan Payment into the Loan Repayment Reserve Account. Monthly deposits into a Loan debt service account under an escrow agreement with the Depository is not required. The Loan Repayment Reserve Account must be assigned to the Department and requires the Department's written consent for withdrawals.

(2) The Project Sponsor shall apply any proceeds from the pending settlement with the Department of Transportation to the principal balance of The Citizens Bank of Perry loan. Any remaining proceeds will then be used to reduce the principal balance of this Loan.

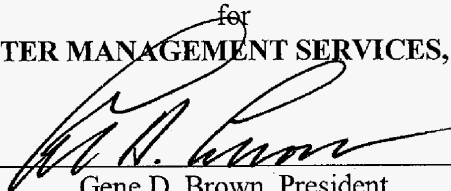
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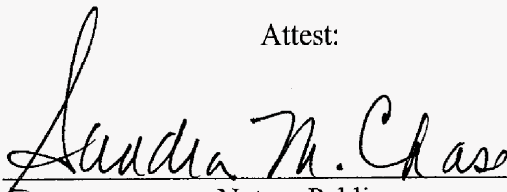
ARTICLE XI - EXECUTION OF AGREEMENT

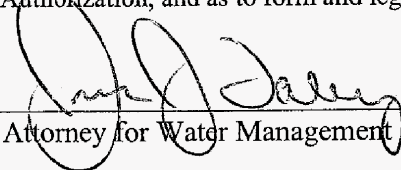
This Loan Agreement DW1901 010 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument. This Agreement incorporates Attachment A and Attachment B hereto.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by the Secretary of the Department and the Project Sponsor has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Secretary of the Department.

Florida documentary tax required by law in the amount of \$10,720.50 has been paid or will be paid to the Department of Revenue.

for  
WATER MANAGEMENT SERVICES, INC.  
  
Gene D. Brown, President

Attest:  
  
Notary Public  
Sandra M. Chase  
(Name typed, printed or stamped)

AUTHORIZATION, and as to form and legal sufficiency.  
  
Attorney for Water Management Services Inc.  
JEFFERY J. TALLEY  
Name typed or printed



for  
STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

  
Secretary

DEC 20 2001  
Date

ATTACHMENT A

Addressee: *(Depository)*

Re: Account # (or Certificate of Deposit #)

Dear \_\_\_\_\_

This account is to be known as the State Loan Repayment Reserve Account. It has been pledged by WATER MANAGEMENT SERVICES, INC. as security for repayment of Loan DW1901 010 from the State Revolving Fund. This account shall be assigned to the Department of Environmental Protection, Bureau of Water Facilities Funding, (the Department). The principal amount and accrued interest should be disbursed only with the prior written consent of the Department, or its successor. This assignment of the account shall not be revoked without the written concurrence of the Department.

By: \_\_\_\_\_  
Gene D. Brown, President  
WATER MANAGEMENT SERVICES, INC.

Date: \_\_\_\_\_

Acceptance By Depository *(Bank Name)*:

By: \_\_\_\_\_  
*Signature*  
\_\_\_\_\_  
*Title*

Date: \_\_\_\_\_

Attachment B

PROMISSORY NOTE

(Business Purpose)

Florida Department of Environmental Protection

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1. DATE AND PARTIES. The date of this Promissory Note (Note) is December \_\_\_\_\_, 2001. This Note evidences a loan, which includes all extensions, renewals, modifications and substitutions of the loan (the "Loan"). The parties to this Note and to the Loan are:

**BORROWER:**

WATER MANAGEMENT SERVICES, INC.  
a FLORIDA corporation  
3848 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32308  
Tax I.D. # 59-3449317

**LENDER:**

FLORIDA DEPARTMENT OF  
ENVIRONMENTAL PROTECTION  
a FLORIDA state agency  
2600 Blair Stone Road, M.S. 3505  
Tallahassee, Florida 32399-2400

2. PROMISE TO PAY. For Value Received, Water Management Services ("Borrower"), promises to pay to Florida Department of Environmental Protection (the "Department") the aggregate principal amount outstanding on Borrower's Loan in the sum of three Million Dollars (\$3,000,000), or so much thereof as may, from time to time, be advanced to Borrower hereunder, plus interest from the date of disbursement on the unpaid principal balance, as shown on The Department's records, which shall at all times be conclusive and govern. Interest shall accrue on unpaid principal installments at an annual rate equal to 3.05%. Principal and interest shall be payable at the times and in the manner set forth in the Loan Agreement executed on even date herewith and the terms of which are incorporated herein by reference (the "Loan Agreement").

The Department and Borrower have established specific instructions and procedures by which disbursements can be made pursuant to the terms and conditions of the Loan Agreement, but nothing contained herein shall create a duty on the part of The Department to make said disbursement if Borrower is in default of the terms of this Note or the terms of the Loan Agreement. In no event shall the Borrower be entitled to total disbursements hereunder exceeding \$3,000,000, or such lesser amount as may determined in accordance with the Loan Agreement.

3. EFFECT OF PRE-PAYMENT. Borrower may prepay the Loan, in whole or in part, at any time without premium or penalty. Absent a default under this Note or the Loan Agreement, any payments received by the Borrower shall be applied according to the terms and conditions of the Loan Agreement. No partial prepayment shall excuse or defer Borrower's subsequent payments or entitle Borrower to a release of any collateral. Interest shall cease to accrue on the amounts prepaid on the day actually credited by the Department.
4. LATE CHARGE. If any payment of interest and/or principal is not received by the Department when such payment is due, the Borrower agrees to pay the Department a late charge as provided in Article VI of the Loan Agreement.

5. **EVENTS OF DEFAULT.** Borrower shall be in default upon the occurrence of default in the payment of any of the principal hereof or any interest thereon when due, or if any event occurs or condition exists which constitutes a default or authorizes the acceleration of the maturity hereof under the Loan Agreement.
6. **DEFAULT RATE OF INTEREST.** Upon the acceleration of this Note pursuant to its terms or the terms of the Loan Agreement, Borrower agrees that the rate of interest to be charged on unpaid principal and accrued interest shall be as provided in Article VI of the Loan Agreement.
7. **REMEDIES ON DEFAULT.** Upon or after an event of default, all or any part of the principal and accrued interest on this Note shall become immediately due and payable at the option of the Department, without presentment or demand or any notice to Borrower or any other person obligated hereon. The Department may exercise all rights and remedies provided by law, equity, this Note and the Loan Agreement. Time is of the essence with regard to all obligations in this Note and in the Loan Agreement. Failure to exercise any remedy or right under the Loan Agreement or hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.
8. **ATTORNEY'S FEES.** In the event the Department utilizes the services of an attorney in attempting to collect the amounts due hereunder or to enforce the terms hereof or of any agreements related to this indebtedness, or if any holder hereof becomes party plaintiff or defendant in any legal proceeding in relation to the property described in any instrument securing this Note or for the recovery or protection of the indebtedness evidenced hereby, Borrower, its successors and assigns, shall repay to the Department, on demand, all costs and expenses so incurred, including reasonable attorney's fees, including those costs, expenses and attorney's fees incurred after the filing by or against the Borrower of any proceeding under any chapter of the Bankruptcy Code, or similar federal or state statute, and whether incurred in connection with the involvement of any holder hereof as creditor in such proceedings or otherwise.
9. **NO DUTY BY THE DEPARTMENT.** The Department is under no duty to preserve or protect any Collateral until the Department is in actual or constructive possession of the Collateral. For purposes of this paragraph, The Department shall only be considered to be in "actual" possession of Collateral when the Department has physical, immediate and exclusive control over the Collateral and has affirmatively accepted such control. The Department shall only be considered to be in "constructive" possession of the Collateral when the Department has both the power and the intent to exercise control over the Collateral.
10. **WAIVER AND CONSENT BY BORROWER AND OTHER SIGNERS.** Regarding this Note, to the extent not prohibited by law, Borrower and all and any other signers waive demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note or the release of any part primarily or secondarily liable hereon and further agree that it will not be necessary for any holder hereof, in order to enforce payment of this Note by any of them, to first institute suit or exhaust its remedies against any maker or others liable herefor, and consent to any extension or postponement of time or payment of this Note or any other indulgence with respect hereto without notice thereof to any of them.
11. **AMENDMENT.** The provisions contained in this Note may not be amended, except through written amendment which is signed by Borrower and the Department.

12. INTEGRATION CLAUSE. This written Note and all documents executed concurrently herewith, represent the entire understanding of the parties as to the obligations and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties.
13. FURTHER ASSURANCES. Borrower agrees, upon request of the Department and within the time the Department specifies to provide any information and to execute any, acknowledge and deliver and record or file such further instruments or documents as may be required by the Department to secure this Note or confirm any lien.
14. GOVERNING LAW. This Note shall be governed by the laws of the state of Florida.
15. FORUM AND VENUE. In the event of litigation pertaining to this Note, the exclusive forum, venue and place of jurisdiction shall be in the state of Florida, in the state court in the county of Leon.
16. DEFINITIONS. The Terms used in this Note, if not defined herein, shall have their meanings as defined in the Loan Agreement or other documents executed contemporaneously herewith.
17. ENFORCEABILITY. If any provision of this Note shall be held unenforceable or void then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Note.
18. NOTICE. All notices under this Note must be in writing.

**BORROWER:**

WATER MANAGEMENT SERVICES, INC.  
a FLORIDA corporation

By: 

Gene D. Brown, President

(\*Corporate seal may be affixed, but failure to affix shall not affect validity or reliance.)

**LENDER:**

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION  
a state of FLORIDA agency

By: 

Secretary

State of Florida's Documentary Stamp Tax is not required on this Note.

**DRINKING WATER STATE REVOLVING FUND  
AMENDMENT 1 TO LOAN AGREEMENT DW1901 010  
WATER MANAGEMENT SERVICES, INC.**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and WATER MANAGEMENT SERVICES, INC., (Project Sponsor) existing as a for profit corporation under the laws of the State of Florida.

**WITNESSETH:**

WHEREAS, the Department and the Project Sponsor entered into a Drinking Water State Revolving Fund Loan Agreement, Number DW1901 010, authorizing a Loan amount of \$3,000,000, excluding Capitalized Interest; and

WHEREAS, the Project Sponsor is entitled to additional financing of \$3,080,883, excluding Capitalized Interest; and

WHEREAS, an interest rate must be established for the additional financing amount awarded in this amendment; and

WHEREAS, a Loan Service Fee must be assessed for the additional financing; and

WHEREAS, the Loan Repayment Reserve Account deposit and the Semiannual Loan Payment amount need revision to reflect adjustment in the Loan amount; and

WHEREAS, the Project costs need adjustment to reflect revised estimates; and

WHEREAS, revised provisions for audit and monitoring along with related changes to the Project schedule are needed.

NOW, THEREFORE, the parties hereto agree as follows:

1. Subsections 2.01(10) and 2.01(11) of the Agreement are deleted and replaced by Section 2.03 AUDIT AND MONITORING REQUIREMENTS.

The Project Sponsor agrees to the following audit and monitoring requirements.

(1) Audits.

Within 12 months of the amendment establishing final Project costs, the Project Sponsor shall have an audit conducted by an independent certified public accountant of the Project revenues, including receipt of disbursements under financial assistance agreements, and expenditures. The audit shall be conducted in accordance with generally accepted auditing standards. The audit shall address whether the Project Sponsor complied with requirements set forth in the Loan Agreement, including applicable State and Federal laws and regulations referenced in Subsection 2.02(7). The audit findings shall set aside or question any costs that are unallowable under Chapter 62-552, Florida Administrative Code. A final determination of the allowability of such costs shall be made by the Department

(2) Report Submission.



Copies of the audit report prepared in accordance with Subsection 2.03(1) of this Agreement shall be submitted by or on behalf of the Project Sponsor directly to the Department of Environmental Protection at each of the following addresses:

Don W. Berryhill, P.E., Chief  
Bureau of Water Facilities Funding  
Florida Department of Environmental Protection  
2600 Blair Stone Road, MS 3505  
Tallahassee, Florida 32399-2400

Joe Aita, Audit Director  
Office of the Inspector General  
Florida Department of Environmental Protection  
2600 Blair Stone Road, MS 40  
Tallahassee, Florida 32399-2400

(3) Record Retention.

The Project Sponsor shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued, and shall allow the Department of Environmental Protection, or its designee, Comptroller, or Auditor General access to such records upon request. The Project Sponsor shall ensure that audit working papers are made available to the Department of Environmental Protection, or its designee, Comptroller, or Auditor General upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department of Environmental Protection.

(4) Monitoring.

In addition to reviews of audits conducted in accordance with this Agreement, monitoring procedures may include, but not be limited to, on-site visits by Department staff, additional audits, and/or other procedures. By entering into this Agreement, the Project Sponsor agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of Environmental Protection. In the event the Department of Environmental Protection determines that an additional audit of the Project Sponsor is appropriate, the Project Sponsor agrees to comply with any additional instructions provided by the Department to the Project Sponsor regarding such audit. The Project Sponsor further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Comptroller or Auditor General.

2. Additional financing in the amount of \$3,080,883, excluding Capitalized Interest, is hereby awarded to the Project Sponsor.

3. An interest rate of 2.93 percent per annum is established for the additional financing amount awarded in this amendment; however, if this amendment is not executed by the Project Sponsor and returned to the Department before January 1, 2003, the interest rate may be adjusted.

4. The estimated principal amount of the Loan is hereby revised to \$6,161,683, which consists of \$6,080,883 authorized for disbursement to the Project Sponsor and \$80,800 of Capitalized Interest. This total consists of the following:

(a) \$3,064,100, including \$3,000,000 authorized for disbursement to the Project Sponsor and \$64,100 of Capitalized Interest, at an interest rate of 3.05 percent per annum; and

(b) \$3,097,583, including \$3,080,883 authorized for disbursement to the Project Sponsor and \$16,700 of Capitalized Interest, at an interest rate of 2.93 percent per annum.

An additional Loan Service Fee in the amount of \$59,823, for a total of \$118,075, is hereby assessed. The fee represents two percent of the Loan amount excluding the Loan Repayment Reserve and Capitalized Interest amounts; that is, two percent of \$5,903,770. Estimated Loan Service Fee capitalized interest for the fee amount assessed to date is \$3,160.

5. The Semiannual Loan Payment amount is hereby revised and shall be in the amount of \$209,823. Such payments shall be received by the Department on November 15, 2003 and semiannually thereafter on May 15 and November 15 of each year until all amounts due hereunder have been fully paid. Until this Agreement is further amended, each Semiannual Loan Payment will be proportionally applied, after deduction of the Loan Service Fee is complete, toward repayment of the amounts owed on each incremental Loan amount at the date such payment is due.

The Semiannual Loan Payment amount is based on the total amount owed of \$6,282,918, which consists of the Loan principal plus the Loan Service Fee with its capitalized interest (if any).

6. The Project Sponsor and the Department acknowledge that the actual cost of the Project has not been determined. Project cost adjustments may be made as a result of mutually agreed upon Project changes. An additional Loan Repayment Reserve deposit amount will be required for any additional financing. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Project Sponsor receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Project Sponsor's Project audit or a Department audit.

Funds disbursed in accordance with Section 4.08 of this Agreement shall be disbursed in the order in which they have been obligated without respect to budgetary line item estimates. All disbursements shall be made from the original Loan amount until that amount has been disbursed; the interest rate established for the original Loan amount shall apply to such disbursements for the purpose of determining the associated Capitalized Interest and repayment amount. The interest rate established for any additional increment of Loan financing shall be used to determine the Capitalized Interest and repayment amount associated with the funds disbursed from that increment.

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The estimated Project costs are revised as follows:

CATEGORY	COST(\$)
(1) Administrative Allowance	32,850
(2) Engineering Allowance	375,000
(3) Construction and Demolition	4,865,638
(4) Contingencies	244,282
(5) Technical Services After Bid Opening	366,000
(6) Land	20,000
<b>SUBTOTAL</b>	<b>5,903,770</b>
(7) Loan Repayment Reserve (Loan Proceeds) *	177,113
<b>SUBTOTAL (Disbursable Amount)</b>	<b>6,080,883</b>
(8) Capitalized Interest	80,800
<b>TOTAL (Loan Principal Amount)</b>	<b>6,161,683</b>

\* Loan proceeds for deposit in the Loan Repayment Reserve Account represent three percent of the Loan amount excluding the Loan Repayment Reserve (Loan proceeds) and Capitalized Interest amounts; three percent of \$5,903,770 is \$177,113 for the Loan amount authorized to date. In addition, the Project Sponsor shall use its own funds to deposit \$209,785 in the reserve for a total deposit amount of \$386,898.

7. The amount to be deposited in the Loan Repayment Reserve Account as scheduled in Section 10.07 of the Loan Agreement is hereby revised; an additional \$194,625 shall be deposited for a total deposit requirement of \$386,898. The Project Sponsor shall deposit the total amount into the Loan Repayment Reserve Account no later than May 15, 2003. Loan proceeds are authorized for a portion of the deposit. The Project Sponsor shall use its own funds for the remainder of the deposit. A breakdown of the deposit requirements follows:

Source of Funds	Loan Repayment Reserve Deposit Requirements (\$)		
	Total	Amount Required Prior to this Amendment	Increment Associated with this Amendment
Loan Proceeds	177,113	87,379	89,734
Project Sponsor	209,785	104,894	104,891
<b>Total</b>	<b>386,898</b>	<b>192,273</b>	<b>194,625</b>

8. Section 10.07 PROJECT SCHEDULE is amended as follows:

(6) The initial annual certification required under Subsection 2.01(12) of this Agreement shall be due August 15, 2003. Thereafter the certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Payment is made.

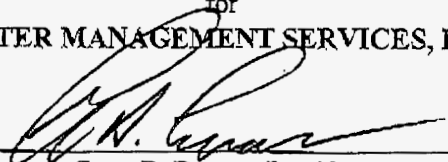
9. All other terms and provisions of the Loan Agreement shall remain in effect.

This Amendment I to Loan Agreement DW1901 010 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Secretary of the Department and the Project Sponsor has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Secretary of the Department.

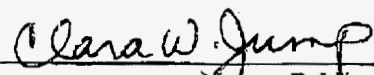
Florida documentary tax required by law in the amount of \$10,841.60 has been paid or will be paid to the Department of Revenue for the incremental Loan principal provided by this amendment.

for  
WATER MANAGEMENT SERVICES, INC.

  
Gene D. Brown, President

Attest

I attest that this amendment complies with Section 2.02 of the Agreement and as to form and legality.

  
Notary Public

  
Attorney for Water Management Services, Inc.

Clara W. Jump  
Name typed or printed

JEFFERY J. TALLEY  
Name typed or printed

SEAL



for  
STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

  
Secretary

DEC 31 2002  
Date

## Attachment A

## PROMISSORY NOTE

(Business Purpose)

Florida Department of Environmental Protection

1. **DATE AND PARTIES.** The date of this Promissory Note (Note) is December 31, 2002. This Note evidences a loan, which includes all extensions, renewals, modifications and substitutions of the loan (the "Loan"). The parties to this Note and to the Loan are:

**BORROWER:**

WATER MANAGEMENT SERVICES, INC.  
a FLORIDA corporation  
3848 KILLEARN COURT  
TALLAHASSEE, FLORIDA 32308  
Tax I.D. # 59-3449317

**LENDER:**

FLORIDA DEPARTMENT OF  
ENVIRONMENTAL PROTECTION  
a FLORIDA state agency  
2600 Blair Stone Road, M.S. 3505  
Tallahassee, Florida 32399-2400

2. **PROMISE TO PAY.** For Value Received, Water Management Services ("Borrower"), promises to pay to Florida Department of Environmental Protection (the "Department") the aggregate principal amount outstanding on Borrower's Loan in the sum of \$6,080,883, or so much thereof as may, from time to time, be advanced to Borrower hereunder, plus interest from the date of disbursement on the unpaid principal balance, as shown on The Department's records, which shall at all times be conclusive and govern. Interest shall accrue on unpaid principal installments at an annual rate equal to 3.05% on the first \$3,000,000, and 2.93% on the remaining \$3,080,883. Principal and interest shall be payable at the times and in the manner set forth in the Loan Agreement executed on even date herewith and the terms of which are incorporated herein by reference (the "Loan Agreement").

The Department and Borrower have established specific instructions and procedures by which disbursements can be made pursuant to the terms and conditions of the Loan Agreement, but nothing contained herein shall create a duty on the part of The Department to make said disbursement if Borrower is in default of the terms of this Note or the terms of the Loan Agreement. In no event shall the Borrower be entitled to total disbursements hereunder exceeding \$6,080,883, or such lesser amount as may be determined in accordance with the Loan Agreement.

3. **EFFECT OF PRE-PAYMENT.** Borrower may prepay the Loan, in whole or in part, at any time without premium or penalty. Absent a default under this Note or the Loan Agreement, any payments received by the Borrower shall be applied according to the terms and conditions of the Loan Agreement. No partial prepayment shall excuse or defer Borrower's subsequent payments or entitle Borrower to a release of any collateral. Interest shall cease to accrue on the amounts prepaid on the day actually credited by the Department.
4. **LATE CHARGE.** If any payment of interest and/or principal is not received by the Department when such payment is due, the Borrower agrees to pay the Department a late charge as provided in Article VI of the Loan Agreement.
5. **EVENTS OF DEFAULT.** Borrower shall be in default upon the occurrence of default in the payment of any of the principal hereof or any interest thereon when due, or if any event occurs or


condition exists which constitutes a default or authorizes the acceleration of the maturity hereof under the Loan Agreement.

6. **DEFAULT RATE OF INTEREST.** Upon the acceleration of this Note pursuant to its terms or the terms of the Loan Agreement, Borrower agrees that the rate of interest to be charged on unpaid principal and accrued interest shall be as provided in Article VI of the Loan Agreement.
7. **REMEDIES ON DEFAULT.** Upon or after an event of default, all or any part of the principal and accrued interest on this Note shall become immediately due and payable at the option of the Department, without presentment or demand or any notice to Borrower or any other person obligated hereon. The Department may exercise all rights and remedies provided by law, equity, this Note and the Loan Agreement. Time is of the essence with regard to all obligations in this Note and in the Loan Agreement. Failure to exercise any remedy or right under the Loan Agreement or hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.
8. **ATTORNEY'S FEES.** In the event the Department utilizes the services of an attorney in attempting to collect the amounts due hereunder or to enforce the terms hereof or of any agreements related to this indebtedness, or if any holder hereof becomes party plaintiff or defendant in any legal proceeding in relation to the property described in any instrument securing this Note or for the recovery or protection of the indebtedness evidenced hereby, Borrower, its successors and assigns, shall repay to the Department, on demand, all costs and expenses so incurred, including reasonable attorney's fees, including those costs, expenses and attorney's fees incurred after the filing by or against the Borrower of any proceeding under any chapter of the Bankruptcy Code, or similar federal or state statute, and whether incurred in connection with the involvement of any holder hereof as creditor in such proceedings or otherwise.
9. **NO DUTY BY THE DEPARTMENT.** The Department is under no duty to preserve or protect any Collateral until the Department is in actual or constructive possession of the Collateral. For purposes of this paragraph, The Department shall only be considered to be in "actual" possession of Collateral when the Department has physical, immediate and exclusive control over the Collateral and has affirmatively accepted such control. The Department shall only be considered to be in "constructive" possession of the Collateral when the Department has both the power and the intent to exercise control over the Collateral.
10. **WAIVER AND CONSENT BY BORROWER AND OTHER SIGNERS.** Regarding this Note, to the extent not prohibited by law, Borrower and all and any other signers waive demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note or the release of any part primarily or secondarily liable hereon and further agree that it will not be necessary for any holder hereof, in order to enforce payment of this Note by any of them, to first institute suit or exhaust its remedies against any maker or others liable herefor, and consent to any extension or postponement of time or payment of this Note or any other indulgence with respect hereto without notice thereof to any of them.
11. **AMENDMENT.** The provisions contained in this Note may not be amended, except through written amendment which is signed by Borrower and the Department.
12. **INTEGRATION CLAUSE.** This written Note and all documents executed concurrently herewith, represent the entire understanding of the parties as to the obligations and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties.

- 13. FURTHER ASSURANCES. Borrower agrees, upon request of the Department and within the time the Department specifies to provide any information and to execute any, acknowledge and deliver and record or file such further instruments or documents as may be required by the Department to secure this Note or confirm any lien.
- 14. GOVERNING LAW. This Note shall be governed by the laws of the state of Florida.
- 15. FORUM AND VENUE. In the event of litigation pertaining to this Note, the exclusive forum, venue and place of jurisdiction shall be in the state of Florida, in the state court in the county of Leon.
- 16. DEFINITIONS. The Terms used in this Note, if not defined herein, shall have their meanings as defined in the Loan Agreement or other documents executed contemporaneously herewith.
- 17. ENFORCEABILITY. If any provision of this Note shall be held unenforceable or void then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Note.
- 18. NOTICE. All notices under this Note must be in writing.

**BORROWER:**


WATER MANAGEMENT SERVICES, INC.  
a FLORIDA corporation

By:   
Gene D. Brown, President

(\*Corporate seal may be affixed, but failure to affix shall not affect validity or reliance.)

**LENDER:**

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION  
a state of FLORIDA agency

By:   
Secretary

State of Florida's Documentary Stamp Tax is not required on this Note.

**DRINKING WATER STATE REVOLVING FUND  
AMENDMENT 2 TO LOAN AGREEMENT DW1901 010  
WATER MANAGEMENT SERVICES, INC.**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and WATER MANAGEMENT SERVICES, INC., (Project Sponsor) existing as a for profit corporation under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Project Sponsor entered into a Drinking Water State Revolving Fund Loan Agreement, Number DW1901 010, as amended, authorizing a Loan amount of \$6,080,883, excluding Capitalized Interest; and

WHEREAS, the Semiannual Loan Payment amount needs revision to reflect adjustment of the Capitalized Interest and account for payments made to date.

NOW, THEREFORE, the parties hereto agree as follows:

1. The total disbursed Loan amount is \$6,080,883.
2. The Loan Service Fee is \$118,075.00, and capitalized Loan Service Fee interest is \$3,157.34. The Loan Service Fee and capitalized interest were collected in the November 15, 2003 payment.
3. The total principal amount of the Loan was \$6,157,504.25, which consisted of \$6,080,883.00 disbursed to the Project Sponsor and \$76,621.25 of accrued Capitalized Interest.
4. The unpaid principal balance of the Loan is \$6,016,606.36, which amount accounts for the Department's receipt of two Semiannual Loan Payments and consists of the following:
  - (a) Initial agreement unpaid balance of \$3,014,865.35 at an interest rate of 3.05 percent per annum.
  - (b) Amendment 1 unpaid balance of \$3,001,741.01 at an interest rate of 2.93 percent per annum.
5. The Semiannual Loan Payment amount, adjusted to account for repayments received to date, is hereby revised and shall be in the amount of \$208,694.89. Such payments shall be received by the Department on November 15, 2004 and semiannually thereafter on May 15 and November 15 of each year until all amounts due hereunder have been fully paid.
6. The closeout audit required under Subsection 2.03(1) of the amended Agreement shall be submitted within twelve months after the effective date of this amendment.



7. The Project Sponsor and the Department acknowledge that changes in Project costs may occur as a result of the Project Sponsor's Project audit or a Department audit pursuant to Chapter 62-552 of the Florida Administrative Code. Unless this Agreement is amended subsequent to an audit, the following Project disbursements shall be final.

CATEGORY	DISBURSED(\$)
Administrative Allowance	32,850.00
Engineering Allowance	375,000.00
Construction and Demolition*	5,109,920.00
Land	20,000.00
Technical Services During Construction	366,000.00
SUBTOTAL	5,903,770.00
Loan Repayment Reserve (Loan Proceeds)**	177,113.00
SUBTOTAL (Total Disbursed)	6,080,883.00
Capitalized Interest	76,621.25
TOTAL (Loan Principal Amount)	6,157,504.25

\* Owner Purchased Materials in the amount of \$1,195,593 is included in the Construction and Demolition total.

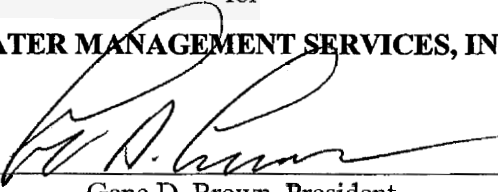
\*\* The Loan Repayment Reserve line item reflects an amount set by Amendment 1. In addition, the Project Sponsor was required to deposit \$209,785 of its own funds into the Loan Repayment Reserve for a total deposit amount of \$386,898.

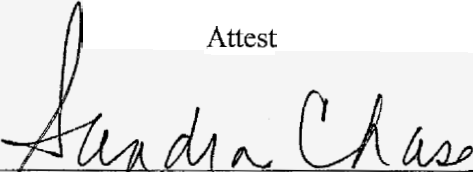
8. All other terms and provisions of the Loan Agreement shall remain in effect.

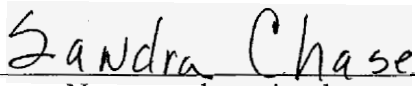
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This Amendment 2 to Loan Agreement DW1901 010 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Secretary of the Department, and the Project Sponsor has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Secretary of the Department.

for  
**WATER MANAGEMENT SERVICES, INC.**  
  
Gene D. Brown, President

Attest  
  
Notary Public

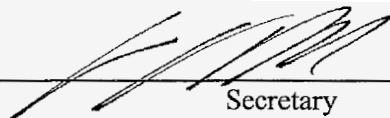
  
Name typed or printed

SEAL



Sandra M. Chase  
MY COMMISSION # DD241897 EXPIRES  
November 17, 2007  
BONDED THRU TROY FAIN INSURANCE, INC.

for  
**STATE OF FLORIDA**  
**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

  
Secretary

SEP 30 2004

Date

**DOCKET NO. 000694-WS**

**WATER MANAGEMENT SERVICES, INC.'S  
RESPONSE TO STAFF'S SECOND DATA REQUEST,  
ITEM NO. 3**

**Law, Redd, Crona & Munroe, P.A.**

*Certified Public Accountants*

2727 Apalachee Parkway  
Tallahassee, Florida 32301  
Telephone (850) 878-6189  
Fax (850) 942-5301

October 29, 2004

Gene D. Brown  
Water Management Services, Inc.  
3848 Killearn Court  
Tallahassee, FL 32308

We are pleased to confirm our understanding of the services we are to provide for Water Management Services, Inc. for the year ended December 31, 2005.

We will audit the balance sheet of Water Management Services, Inc. as of December 31, 2005, and the related statements of income, retained earnings and cash flows for the year then ended.

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records of Water Management Services, Inc. and other procedures we consider necessary to enable us to such an opinion. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit we will not issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets or violations of laws or governmental regulations that are attributable to Water Management Services, Inc. or to acts by management or employees acting on behalf of Water Management Services, Inc. Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions, that is, significant deficiencies in the design or operation of internal control. However, during the audit, if we become aware of such reportable conditions, we will communicate them to you.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with management. As part of our engagement we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. Further, you are responsible for designating a competent management-level employee to be responsible and accountable for overseeing these services.

Your responsibilities include the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. You are also responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Water Management Services, Inc.  
October 29, 2004  
Page Three

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the company involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that Water Management Services, Inc. complies with applicable laws and regulations.

We understand that your employees will type all cash, accounts receivable, accounts payable, and other confirmations we request and will locate any documents selected by us for testing.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Based on our preliminary estimates, the fee should approximate \$12,000. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation.

We appreciate the opportunity to be of service to Water Management Services, Inc. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Law, Redd, Crona & Munroe, P.A.*

LAW, REDD, CRONA & MUNROE, P.A.

**RESPONSE:**

This letter correctly sets forth the understanding of Water Management Services, Inc.

Officer signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Law, Redd, Crona & Munroe, P.A.

*Certified Public Accountants*

2727 Apalachee Parkway  
Tallahassee, Florida 32301  
Telephone (850) 878-6189  
Fax (850) 942-5301

November 16, 2004

Gene D. Brown  
Water Management Services, Inc.  
3848 Killlearn Court  
Tallahassee, FL 32308

We are pleased to confirm our understanding of the services we are to provide for Water Management Services, Inc. for the year ended December 31, 2004.

We will audit the balance sheet of Water Management Services, Inc. as of December 31, 2004, and the related statements of income, retained earnings and cash flows for the year then ended.

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records of Water Management Services, Inc. and other procedures we consider necessary to enable us to express such an opinion. The audit shall address at a minimum Water Management Services, Inc.'s financial condition, accounts of the Water System or other sources generating the Pledged Revenues, Loan disbursements received, Project expenditures, compliance with the Loan Agreement covenants and shall encompass the Loan Debt Service Account and Loan Repayment Reserve Account. If anything comes to our attention during the audit of Water Management Services, Inc.'s records that would constitute a default under the Loan Agreement, we will notify the grantor agency immediately. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit we will not issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Water Management Services, Inc.  
November 16, 2004  
Page Two

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Water Management Services, Inc.  
November 16, 2004  
Page Three

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Very truly yours,

*Law, Redd, Crona & Munroe, P.A.*  
LAW, REDD, CRONA & MUNROE, P.A.

**RESPONSE:**

This letter correctly sets forth the understanding of Water Management Services, Inc.

Officer signature: *[Signature]*

Title: *President*

Date: *12-1-04*

**DOCKET NO. 000694-WS**

**WATER MANAGEMENT SERVICES, INC.'S  
RESPONSE TO STAFF'S SECOND DATA REQUEST,  
ITEM NO. 4**

Docket No. 000694-WS  
Water Management Services, Inc.  
Staff's Second Data Request

Request No. 4.

In Paragraph 16 of the Phase III petition, WMSI states that the cash outlay required to fund a one time loan reserve payment should be included in the calculation of a true-up of revenues collected under Phase I and II rates. Presumably, this reserve will ultimately be applied to a final payment of the DEP loan, or refunded to WMSI. Please provide an explanation of how the utility believes rates should be adjusted upon the final disposition of the reserve if the Commission were to include the current outlay in a true-up calculation in this proceeding.

Response

WMSI believes it is premature to address the final disposition of the reserve, as such an event will not occur for nearly 20 years. Nevertheless, WMSI response is that the final disposition of the reserve should be reflected in rates in a manner consistent with its treatment in this true-up, with due consideration for any relevant factors that might occur in that 20 year period.