

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: March 11, 2014
TO: Carlotta Stauffer, Commission Clerk, Office of Commission Clerk ALM
FROM: Andrew L. Maurey, Chief of Surveillance & Rate Filings, Division of Accounting & Finance
RE: Request for partial release of funds from Escrow Account (Docket No. 110200-WU, Application for increase in water rates in Franklin County by Water Management Services, Inc.)

Pursuant to PAA Order No. PSC-12-0641-PCO-WU, issued December 4, 2012, in the above referenced docket (Order), Water Management Services, Inc. (WMSI or Utility) has requested authorization for the partial release of escrow funds in the amount of \$109,379.00 held in Account No. [REDACTED] at Citizens State Bank, located at 2000 South Byron Butler Parkway, Perry, Florida.

Counsel for WMSI has represented that sufficient funds are available in the PAA escrow account to cover the requested withdrawal. Pursuant to the above referenced Order, staff recommends the Commission's designated agent in such matters authorize the release of \$109,379.00 from the PAA escrow account at Citizens State Bank payable to Farmers & Merchants Bank for the loan specified in the attached documentation.

cc: Marshall Willis
Cheryl Bulecza-Banks
Martha Barrera

Attachment



FRIEDMAN,
FRIEDMAN & LONG, P.A.
ATTORNEYS & COUNSELORS

March 10, 2014

E-FILE

Ms. Carlotta S. Stauffer
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 110200-WU; In re: Application for increase in water rates in Franklin County by
Water Management Services, Inc./ Request for Escrow Withdrawal
Our File No. 46023.01

Dear Ms. Stauffer:

Pursuant to PSC Order No. PSC-12-0641-PCO-WU, Water Management Services, Inc. ("WMSI") requests the Staff provide the Escrow Agent with written authorization to disburse \$109,379.00 from the Escrow Account to repay the construction loan with Farmers & Merchant Bank pursuant to the attached loan and payment documents. There are sufficient funds in the Escrow Account to make this payment.

Should you or Staff have any questions concerning this filing, please do not hesitate to give me a call.

Very truly yours,

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

MARTIN S. FRIEDMAN
For the Firm

MSF/

cc: Gene Brown (via e-mail)
Sandy Chase (via e-mail)
Martha Barrera, Esquire, Office of General Counsel (via e-mail)
Erik Saylor, Esquire, Office of Public Counsel (via e-mail)
Marshall Willis (via e-mail)

WATER MANAGEMENT SERVICES, INC. 260 JOHN KNOX ROAD #4 TALLAHASSEE, FL 32303	FARMERS & MERCHANTS BANK P.O. BOX 340 MONTICELLO, FL 32345	TIN 56-3001686 Loan Number 0207374-87 Date 03-07-2014 Maturity Date 03-14-14 Loan Amount \$ 109,379.00 Renewal Of _____ OFFICER DEWEN
BORROWER'S NAME AND ADDRESS *It includes each borrower above, jointly and severally.	LENDER'S NAME AND ADDRESS *You* means the lender, its successors and assigns.	

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of ONE HUNDRED NINE THOUSAND THREE HUNDRED SEVENTY NINE AND NO/100 Dollars \$ 109,379.00

Single Advance: I will receive all of this principal sum on _____ No additional advances are contemplated under this note.

Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On 03-07-2014 I will receive the amount of \$ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are UPON REQUEST BY THE BORROWER IN WRITING, BY PHONE OR IN PERSON AND UPON APPROVAL OF AN OFFICER OF FARMERS & MERCHANTS BANK

Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on 03-14-14

Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 03-07-2014 at the rate of 6.250 % per year until 03-14-14

Variable Rate: This rate may then change as stated below.

Index Rate: The future rate will be _____ the following index rate: _____

No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

Frequency and Timing: The rate on this note may change as often as _____ A change in the interest rate will take effect _____

Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ % The rate may not change more than _____ % each _____

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

The amount of each scheduled payment will change. The amount of the final payment will change.

ACCUAL METHOD: Interest will be calculated on a ACTUAL/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

on the same fixed or variable rate basis in effect before maturity (as indicated above).
 at a rate equal to 12%

LATE CHARGE: If a payment is made more than 10 days after it is due, I agree to pay a late charge of 6.000% OF THE PAYMENT AMOUNT WITH A MAX. OF \$100.00

ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which are are not included in the principal amount above: _____

PAYMENTS: I agree to pay this note as follows:
 ON DEMAND, BUT IF NO DEMAND IS MADE THEN INTEREST ON THE AMOUNT OF CREDIT OUTSTANDING DUE AT MATURITY AND PRINCIPAL DUE ON 03-14-14


ADDITIONAL TERMS:
\$5.00 FEE PER DRAW, AFTER THE FIRST DRAW

SECURITY: This note is separately secured by (describe separate document by type and date): SECURITY AGREEMENT DATED 03/07/2014

(This section is for your internal use. Failure to file a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is BUSINESS FOR CONSTRUCTION
DRAW

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

WATER MANAGEMENT SERVICES, INC.

 GENE E. BROWN, PRESIDENT

Signature for Lender:

 DON E. MAY, SENIOR VICE PRESIDENT/CITY EXECUTIVE TALLAHASSEE

WATER MANAGEMENT SERVICES INC
250 JOHN KNOX ROAD SUITE #4
TALLAHASSEE, FL 32303

1597

63-111/931
009

March 7, 14

Date

PAY to the
order of

- Withers Coastal Marine Construction Co. - \$ 109379

- One hundred nine thousand three hundred seventy nine and 00/100 Dollars



Farmers & Merchants Bank
3320 Thomasville Road
Tallahassee, Florida 32308
www.fmbbank.com

For

[Signature]

⑆063101111⑆1597

RECEIPT OF PAYMENT AND RELEASE OF LIEN


Withers Coastal Marine Construction, Inc. hereby acknowledges receipt of progress payment number 1 in the amount of One Hundred Nine Thousand, Three Hundred Seventy Nine Dollars (\$109,379), and hereby waives and releases its lien and right to claim a lien for labor, services, or materials furnished through February 28, 2014 to Water Management Services, Inc. on the job of St. George Island water system improvements to the following property:

Any and all property owned by Water Management Services, Inc.
on St. George Island, FL.

This waiver and release does not cover any retention of labor, services, or materials furnished after February 28, 2014.

Dated this 10th day of March, 2014.

WITHERS COASTAL MARINE
CONSTRUCTION, INC., a Florida corporation

By: 
Ben Withers, as its President

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF 2 PAGES

AIA Document G703, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

APPLICATION NO: 1
APPLICATION DATE: 03/03/14

In tabulations below, amounts are stated to the nearest dollar.

PERIOD TO: 1/15/2014 to 2/28/2014

Use Column I on Contracts where variable retainage for line items may apply.

ARCHITECT'S PROJECT NO: 2011-113

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H % (G+C)	I BALANCE TO FINISH (C-G)	J RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
6.d.	660' of 8" PVC distribution main, incl. Valves, Fittings, etc.	\$220,920.00	\$0.00	\$27,720.00	\$0.00	\$27,720.00	12.55%	\$193,200.00	\$2,772.00
6.e.	260' of 6" PVC distribution main, incl. Valves, Fittings, etc.	\$9,980.00	\$0.00	\$9,980.00	\$0.00	\$9,980.00	100.00%	\$0.00	\$998.00
6.f.	1996' of 8" PVC distribution main, incl. Valves, Fittings, etc.	\$83,832.00	\$0.00	\$83,832.00	\$0.00	\$83,832.00	100.00%	\$0.00	\$ 8,383.00
GRAND TOTALS		\$ 314,732.00	\$ -	\$ 121,532.00	\$ -	\$ 121,532.00		\$ 193,200.00	\$ 12,153.00

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF 1

PAGES 2

TO OWNER:
 WATER MANAGEMENT SERVICES, INC
 139 W. GULF BEACH DRIVE
 ST. GEORGE ISLAND, FL 32328
 FROM CONTRACTOR:
 WITHER COASTAL MARINE CONSTRUCTION, INC
 P.O. BOX 908
 PANACEA, FL 32346
 CONTRACT FOR:
 ST. GEORGE ISLAND WATER SYSTEM IMPROVEMENTS

PROJECT: ST. GEORGE ISLAND
 WATER SYSTEM
 IMPROVEMENTS
 VIA ARCHITECT: LES THOMAS, P.E.

APPLICATION NO: 1
 PERIOD TO: January 15, 2014
 February 28, 2014
 PROJECT NOS: 2014 - 3
 CONTRACT DATE: January 15, 2014

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR
 FPSC

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	2,801,599.00
2. Net change by Change Orders	\$	0.00
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	2,801,599.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	121,532.00
5. RETAINAGE:		
a. 10 % of Completed Work (Column D + E on G703)	\$	12,153.00
b. % of Stored Material (Column F on G703)	\$	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	12,153.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	109,379.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	0
8. CURRENT PAYMENT DUE	\$	109,379.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	2,692,220.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Withers Coastal Marine Construction, Inc

By: [Signature] Date: 3/3/14
 Ben Withers, as its President
 State of Florida County of Leon
 Subscribed and sworn to before me this 3rd day of March, 2014
 Notary Public: Carlton C. Hammond III
 My Commission expires: August 29, 2015



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 109,379

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: [Signature] Date: 3/13/2014

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.