



RADEY
ATTORNEYS & COUNSELORS at LAW

PHONE (850) 425-6654 FAX (850) 425-6694 WEB WWW.RADEYLAW.COM
MAIL POST OFFICE BOX 10967 | TALLAHASSEE, FL 32302 OFFICE 301 SOUTH BRONOUGH ST. | STE. 200 | TALLAHASSEE, FL 32301

tcrabb@radeylaw.com

October 24, 2025

Via Electronic Filing

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition by CSWR-Florida Utility Operating Company, LLC for an Acquisition Adjustment from the Transfer of Facilities of Neighborhood Utilities, Inc. and Water Certificate No. 430-W

Dear Commission Clerk:

Attached please find a Petition for an Acquisition Adjustment regarding the transfer of Neighborhood Utilities, Inc., filed by CSWR-Florida Utility Operating Company.

Sincerely,

/s/ Thomas A. Crabb

Thomas A. Crabb
Susan F. Clark
Attorneys for Petitioner
CSWR-Florida Utility Operating Company, LLC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by CSWR-Florida Utility
Operating Company, LLC, for an Acquisition
Adjustment from the Transfer of Facilities of Docket No.: _____
Neighborhood Utilities, Inc. and Water
Certificate No. 430-W.

PETITION FOR AN ACQUISITION ADJUSTMENT FOR A NON-VIABLE UTILITY

CSWR-Florida Utility Operating Company, LLC (“CSWR-Florida”), pursuant to rule 25-30.0371, Florida Administrative Code, petitions for an acquisition adjustment relating to its 2022 acquisition of the water facilities of Neighborhood Utilities, Inc. (“Neighborhood”).

I. PETITIONER INFORMATION

Contact Information for Petitioner:

Name: CSWR-Florida Utility Operating Company, LLC
Address: 1630 Des Peres Road, Suite 140
St. Louis, MO 63131
Phone Number: (314) 380-8505
Fax Number: None
FEIN: 38-4180174
Email address: regulatory@cswrgroup.com
Website address: https://www.centralstateswaterresources.com/cswr-florida

Contact Information for Petitioner’s Authorized Representatives:

Name: Susan F. Clark, Esq.
Thomas A. Crabb, Esq.
Address: Radey Law Firm
301 South Bronough Street, Suite 200
Tallahassee, FL 32301
Phone Number: (850) 425-6654
Fax Number: (850) 425-6694
Email addresses: sclark@radeylaw.com
tcrabb@radeylaw.com
sturner@radeylaw.com

II. INTRODUCTION

CSWR-Florida requests that the Commission grant this Petition and establish a positive acquisition adjustment relating to its 2022 acquisition of the non-viable Neighborhood water system. Under the Commission’s acquisition adjustment rule, 25-30.0371, F.A.C. as amended in

2024, a positive acquisition adjustment is to be allowed by the Commission when three elements are present: 1) the acquired utility meets the rule definition of a “non-viable” utility; 2) the purchase was made as part of an arms-length transaction; and 3) customers of the acquired utility benefit from the acquisition. CSWR-Florida’s acquisition of the Neighborhood water system meets and exceeds each of these elements.

The Neighborhood water system was non-viable at the time of acquisition. The characteristics of a non-viable utility under the rule include that it is unable to provide and maintain safe, adequate, and reliable service and facilities to its customers. As part of its pre-closing due diligence, CSWR-Florida commissioned a non-affiliated engineering firm to perform a preliminary engineering study of the Neighborhood water system. The engineering firm found the system assets to be in poor condition, which suggests the system was nearing the end of its useful life as a result of age, neglect, or a combination of both. In addition, Neighborhood’s annual reports to the Commission reveal many years of insufficient investment and inadequate expenditures for repair and maintenance of the system. Those same annual reports also show that leading up to the acquisition by CSWR-Florida, Neighborhood experienced several years of negative net income from utility operations. The cumulative effects of those earnings shortfalls caused the value of the enterprise to decline, as reflected in Neighborhood’s negative retained earnings, which by 2021 was negative (\$134,920). A utility that cannot generate sufficient revenue to cover its reasonable operating expenses cannot remain in business and is, therefore, non-viable by definition.

CSWR-Florida’s acquisition of the Neighborhood system was an arms-length transaction. CSWR and Neighborhood Utilities, Inc. are non-affiliated, independent parties. There was no prior relationship or influence between them.

Customers have clearly benefitted and will continue to benefit from the acquisition of the Neighborhood system by CSWR-Florida. Initial repairs and upgrades to the water system have included replacement of the failed well pump and associated piping, recoating and rehabilitation of the hydropneumatic tank, installation of a new air compressor, replacement of the long-nonfunctional emergency generator, installation of remote monitoring and continuous chlorine monitoring equipment, exterior recoating of storage tanks and the aeration unit, installation of flood lighting for after-hours operations, and installation of new safety equipment, including a chemical shower and emergency eye wash station. Operations and maintenance personnel now have the appropriate qualifications and experience to service the plant. CSWR-Florida has implemented technology to monitor the system and a compliance management program. Customer service benefits implemented since the acquisition include a 24/7 call center and electronic communications and billing. Customers further benefit from economies of scale achieved through centralized engineering, accounting, billing, legal and purchasing operations for an affiliate group that is much larger than Neighborhood on a stand-alone basis.

By rule, the Commission is to allow an acquisition adjustment when customers benefit from the acquisition of a non-viable system. Without question, the customers of the Neighborhood system have and will benefit from this acquisition by CSWR-Florida.

III. RULE 25-30.0371(3)(b), F.A.C., PETITION FILING REQUIREMENTS

1. The amount of the acquisition adjustment requested

CSWR-Florida is requesting a positive acquisition adjustment of \$399,937, which represents the difference between the purchase price of \$460,000 and the \$60,063 net book value of the system at the time of acquisition. On October 25, 2022, the Commission issued a Proposed Agency Action Order (PSC-2022-0364-PAA-WU) that established the net book value of the Neighborhood system at \$60,063. Consummating Order No. PSC-2022-0398-WU was issued on November 16, 2022.

2. The amortization period requested

CSWR-Florida is requesting a 30-year amortization period for the acquisition adjustment requested. CSWR-Florida's proposal for a 30-year amortization period aligns with the average lifespan of a water system. This approach minimizes rate impacts by distributing costs over a 30-year period rather than a shorter time span.

3. An explanation of how the acquisition was made as part of an arms-length transaction

The purchase price and terms of sale were determined through arms-length negotiations between representatives of two non-affiliated and otherwise independent parties: Central States Water Resources, Inc., ("CSWR") and Neighborhood Utilities, Inc. The parties entered into a *Agreement for Purchase and Sale of Utility System*, dated May 27, 2021, which includes a purchase price of \$460,000 for the assets used by the seller to provide water service to customers in Duval County. The transaction closed on November 17, 2022.

4. The contract of sale, including the estimated cost of the fees and transaction closing costs to be incurred by the acquiring utility

Attached as **Exhibit 1** is a copy of the *Agreement for Purchase and Sale of Utility System*. The additional fees and transaction closing costs incurred by CSWR-Florida total \$7,185.94, broken down on page 2 of the Neighborhood Closing Statement, attached as **Exhibit 2**.

5. A calculation of the net book value of the acquired utility including the composite remaining life of the assets purchased

In Order No. PSC-2022-0364-PAA-WU, the Commission determined the net book value of the Neighborhood system was \$60,063 as of January 31, 2022. At the time of acquisition, the composite remaining life of the assets purchased was approximately four (4) years. The composite remaining life of the assets was calculated using the utility plant in service ("UPIS") balances at acquisition, alongside the recorded depreciation at that time. To determine the remaining life, the net plant values of individual accounts were divided by the monthly depreciation amount for those accounts. This calculation also considered the average life expectancy of the assets, providing a straightforward assessment of their expected service duration.

6. A statement as to whether the acquired utility is insolvent or unable to service its debt obligations

At the time of the acquisition, Neighborhood was insolvent. Annual reports filed by Neighborhood between 2019 and 2021 show several indicia of insolvency. For example, for these years Neighborhood recorded negative net income from utility operations, with annual losses ranging from \$9,981 to \$18,732. Negative net income means the utility is not generating sufficient revenues to cover its operating costs. The value of the enterprise is reflected in the company's negative retained earnings, which by 2021 was (\$134,920). This persistent negative retained earnings trend shows that the company had been operating at a loss for years and lacked the ability to generate sufficient revenue to cover past losses. In addition, Neighborhood's deteriorating net utility plant coupled with having no outstanding long-term loans from external lenders shows an inability to attract external capital. Any business that consistently displays these characteristics is financially insolvent.

7. A description of the acquiring utility's managerial, operational, financial, or technical capabilities to furnish and maintain safe and adequate service and facilities over the next 5 years from the date of acquisition

CSWR-Florida is a Florida limited liability company formed to acquire water and wastewater systems in Florida and to operate those systems as a regulated public utility. CSWR-Florida is an affiliate of CSWR, a Missouri limited liability company formed to provide managerial, technical, and financial support to its utility operating affiliates. CSWR's business plan is to pursue the purchase and recapitalization of small water and wastewater systems and to operate those systems as investor-owned regulated utilities. CSWR's business plan and the expertise its personnel provide to affiliates have been approved by regulators in Missouri, Kentucky, Louisiana, Texas, Tennessee, Mississippi, Florida, North Carolina, South Carolina, and Arizona to allow those affiliates to acquire and operate numerous water and wastewater systems in those states. In more than 290 separate orders, regulators in each of those states determined our affiliate group has the technical, managerial, and financial qualifications necessary to acquire, own, and operate water and/or wastewater systems. This Commission has made the same determination by authorizing CSWR-Florida to acquire and serve several systems in Florida.

CSWR and CSWR-Florida are part of an affiliate group that currently owns and operates water and wastewater systems serving approximately 448,000 customers. By virtue of that affiliation, CSWR-Florida has the financial, technical, and managerial ability to acquire, own, and operate water and wastewater systems in a manner that fully complies with applicable health, safety, environmental protection, and regulatory laws and regulations, and to provide reliable, safe, and adequate service to customers.

Since March 2015, CSWR-affiliated companies have, with the approval of state water regulatory authorities, designed, permitted, and completed construction of numerous water systems. These improvements include construction of ground water storage tanks and water pressurization pump assemblies, drilling water wells, erecting or rehabilitating well houses, closing failed wells, blasting/coating water storage tanks, replacing meter pits with new meters, replacing or repairing numerous water distribution lines, installing numerous isolation valve

systems, installing a large number of flush hydrants, repairing hundreds of leaking lines, and constructing or rehabilitating various other improvements to existing water systems.

The CSWR group of companies is highly qualified to service small water and wastewater systems based on the number of systems the group has brought into (and kept in) environmental compliance and the experience of our personnel. The affiliate group currently owns and operates more than 940 water and wastewater plants in eleven states. On a daily basis, CSWR's utility affiliates treat about 36.5 million gallons of wastewater from almost 100,000 wastewater connections. The Louisiana affiliate has removed 240 systems from compliance agreements with the Louisiana Department of Environmental Quality – the fastest timeframe ever for a large group of systems – and we are 100% compliant with environmental compliance agreements entered into with state regulators. These agreements are often necessary because of the extremely distressed nature of many of the systems our group acquires. The CSWR-affiliate group's track record of compliance with and removal from these agreements shows our ability to own and operate distressed systems in a manner that complies with applicable laws and regulations, and our ability to provide safe and reliable service to customers.

8. Any notices of violation, consent decrees or other regulatory actions issued by a federal, state, regional, or local agency regarding the provision of the acquired utility's water or wastewater service over the past 5 years from the date of acquisition, including any notices of violation of primary or notices of exceedances of secondary water quality standards

A review of the compliance history of the Neighborhood water system during the five years immediately preceding its acquisition by CSWR-Florida shows regular instances of noncompliance related to monitoring and reporting requirements as well as noncompliance related to the condition of utility assets. A review of the EPA Safe Drinking Water Information System ("SDWIS") database shows five violations of monitoring and reporting requirements related to coliform sampling, lead and copper sampling, and consumer confidence reporting.

The Florida Department of Environmental Protection's ("FDEP") database shows violations consistent with those reported in the SDWIS database as well as warning letters and an eventual Consent Order, with an assessed fine, related to an ongoing failure to address issues regarding the condition of various system assets. This FDEP compliance record began with a Warning Letter issued in May 2019, which concerned a missing bacteriological sample, rust located below the aerator on Tank 2, and the agency's finding that the emergency generator did not function. The letter noted that the rust and generator issues had originally been highlighted in 2017 but had still not been addressed. An additional Warning Letter was issued in September 2020, and noted that Pump 2 was leaking, the well pump was leaking (with biological growth on the well casing), and that the generator was still nonfunctional after more than three years. A Consent Order was issued in April 2022, which highlighted all the same issues as the 2020 Warning Letter because none of those issues had been addressed. The order included a \$2,500 penalty (including enforcement costs).

The prior owner's failure to address issues at the treatment plant despite repeated warnings from FDEP over the course of several years indicates a general failure in the operation and maintenance of the facility and an inability or unwillingness of the prior owners to adequately

invest in repairs and improvements required by FDEP. Following repairs and upgrades by CSWR-Florida to bring the system into compliance, there are no active compliance agreements or Consent Orders currently in effect for the Neighborhood water system.

Attached as **Composite Exhibit 3** is a listing of all violations for the Neighborhood water system documented in the SDWIS database, a summary of documents in the FDEP database related to noncompliance in the five years prior to acquisition by CSWR- Florida, and copies of the listed FDEP documents.

9. The acquired utility’s annual capital investments and operations and maintenance expenses over the past 5 years from the date of acquisition, if existing

Neighborhood’s annual capital investments and operations and maintenance expenses over the 5 years prior to acquisition by CSWR-Florida are summarized in the following table:

Year	Capital Investment	O&M Expenses
2021	\$0	\$176,445.00
2020	\$0	\$163,109.00
2019	\$0	\$174,748.00
2018	\$0	\$147,440.00
2017	\$450	\$136,080.00

Attached as **Exhibit 4** are the annual reports previously filed with the Commission by Neighborhood (2017-2021).

10. Any planned infrastructure additions and maintenance by the acquiring utility to improve the acquired utility’s quality of service or compliance with environmental regulations

At acquisition, several issues with the Neighborhood water system were identified that would require repairs or improvements to ensure the system could provide safe and reliable service and could be properly maintained and operated moving forward. Those issues included the following:

- The well pump was reaching the end of its useful life and failed shortly after acquisition.
- Tank coatings were in poor condition and tanks were overdue for evaluation for potential repairs or replacement.
- No remote monitoring was present at the well or treatment sites and missing metering equipment, including flow metering, was noted.
- The system had no continuous chlorine monitoring equipment.
- The emergency generator had been out of service since 2017.
- There was no lighting for after-hours operations response.
- Well 1 was out of service but not properly abandoned.
- Well 2 was in poor condition and overdue for evaluation and rehabilitation.

- The two ground storage tanks were in poor condition.
- The aerator mounted to Tank 2 was in poor condition.
- The functioning well did not have a soft start or variable frequency drive (“VFD”), which could lead to water hammer events and cavitation when the well starts, resulting in undue wear on the pump and piping.
- Booster pumps lacked VFD, which, if included, would allow more efficient operations and reduce water hammer.
- The booster pumps were reaching the end of their useful lives and would need to be replaced soon.
- The emergency water connection with the City of Jacksonville (JEA) was not properly metered.
- Distribution system issues were noted, including leaks, inadequate or damaged isolation valves and flushing hydrants.

CSWR-Florida has completed several upgrades and improvements to the Neighborhood water system. First, because the well pump on Well 2 was in poor condition and failed shortly after acquisition, CSWR-Florida replaced the pump to restore service to the system. Additional maintenance work was performed on the well itself, including clearing nuisance vegetation, replacing damaged piping, and installing a new flow meter.



*Well 2 pump before (left) and after replacement (right).
The well casing and wiring were also replaced.*

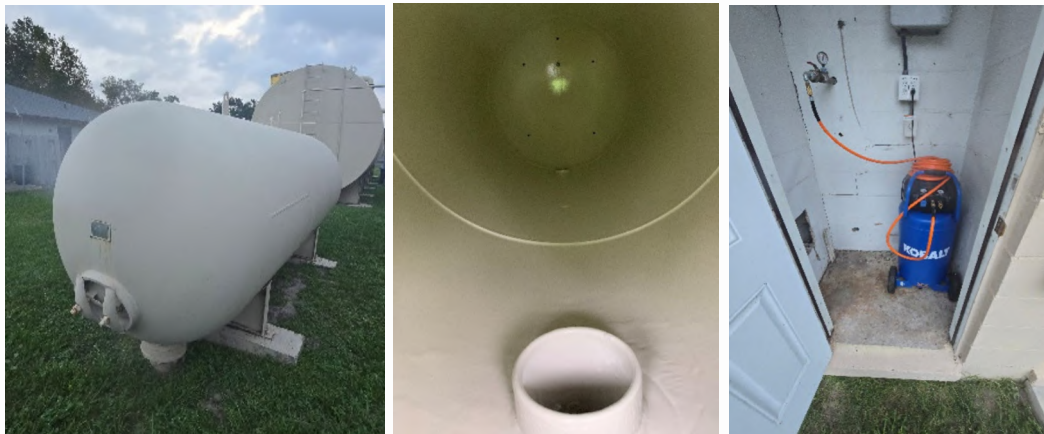
Tank inspections have been completed on all tanks at the Neighborhood site. As a result, it was determined that both ground storage tanks were in poor condition and would need to be replaced. The hydropneumatic tank was found to be in fair condition, so the interior and exterior of the tank was recoated to extend its useful life. A new compressor was installed to maintain pressure and air gap in the hydropneumatic tank. The replacement of the ground storage tanks will take time for design, permitting, equipment lead time, and construction. To address the longer-term issues related to corrosion on Tank 2 until it can be replaced, the exterior of Tank 2 was recoated.



Examples of rust on the ground storage tanks and general poor condition.



Exterior recoating completed on Tank 2 and the aeration unit.



Recoated hydropneumatic storage tank exterior (left) and interior (center) and new compressor for hydropneumatic storage tank (right).

At acquisition, no remote monitoring equipment was present at the water treatment plant or the well site. CSWR-Florida has installed remote monitoring equipment at both locations and

installed a continuous chlorine analyzer. These analyzers ensure that adequate chlorine residuals are maintained in drinking water to prevent bacteriological contamination issues in the drinking water and reduce manual testing requirements, and the remote monitoring equipment allows operators to monitor the analyzers to ensure they are performing as required.



Remote monitoring unit (left) and continuous chlorine monitor (right) installed at Neighborhood Utilities

As discussed in section III.8, above, the emergency generator has been nonfunctional since 2017 and has resulted in numerous warning letters and a Consent Order. CSWR-Florida replaced the generator to ensure the facility can deliver uninterrupted service in the event of a power outage. Flood lighting has also been installed to ensure operators can safely complete maintenance activities after dark and during emergency maintenance responses.



Emergency generator at Neighborhood Utilities before (left, nonfunctional) and after (right) replacement



New flood lighting

Safety equipment, including a chemical shower and emergency eye wash station, has also been installed at the treatment site to ensure operator safety in the event of a fire or exposure to disinfection chemicals.



New emergency eye wash station and chemical shower

CSWR-Florida has planned further improvements to continue to address issues identified at the Neighborhood facilities. Well 1 has been out of service for some time, but was not properly abandoned by the prior owner. CSWR-Florida will properly decommission and abandon the well to protect groundwater quality and eliminate a tripping hazard from the water treatment site.



Well 1 needs to be properly decommissioned and removed.

While the well pump and some of the piping has been replaced, Well 2 still requires additional rehabilitation work. The well is being evaluated to also determine if chemical treatment or subsurface casing repair is needed. A flow meter will be installed on the well and piping that has not already been coated with a protective coating yet will be properly painted. The well will also have a soft start controller installed to reduce risk of cavitation, reduce wear and tear on the motor, and reduce water hammer in the line connecting the pump to the treatment site.



Well 2, new piping needs to be painted, flow meter needed, etc.

The aeration treatment unit mounted on Tank 2 is in poor condition. In addition, Tanks 1 and 2 will be replaced with a single, larger ground storage tank (a standpipe) and a new aeration treatment unit will be installed.



*Tanks 1 & 2 (left) to be replaced with a single larger ground storage tank;
and aeration treatment unit (right) to be replaced*

The high service pumps are in poor condition and are nearing the end of useful lives. In addition, since closing on acquisition of the system one of the three pumps has failed. To ensure the pumping system can continue to ensure adequate system pressure, the booster pumps will be replaced. Also, the existing high service/booster pump system does not include VFDs in the control system, which would allow pumps to run at less than full power and allow pumps to be ramped up rather than starting at full power. This helps to reduce power consumption, reduce wear and tear to pumps, and reduce pressure hammer when pumps turn on. CSWR-Florida will install VFDs on the booster pump control system.



Booster pumps in need of replacement - note empty pump flange from pump which failed since acquisition by CSWR-Florida, emphasizing the poor condition of the pumps

The remaining areas requiring additional improvements relate to the distribution system. The emergency interconnect with the City of Jacksonville JEA water system is not properly metered. A new meter pit, master meter, backflow preventer, and shutoff will be installed to ensure proper interconnection. Other improvements to the distribution system will focus on general distribution repairs, including exercising, repairing, and installing additional isolation valves, installation of automatic flushers on flushing hydrants, and repairs to any leaks or breaks that can be identified.

11. Any engineering studies or appraisals the acquiring utility procured pertaining to the purchase of the acquired utility

As part of its pre-closing due diligence, CSWR-Florida routinely engages a third-party engineering firm to evaluate systems, identify necessary repairs, upgrades, and improvements, and prepare preliminary estimates of the cost of those repairs, upgrades, and improvements. Woodard & Curran, an engineering firm located in Lakeland, prepared the engineering study of the Neighborhood system, which is attached as **Exhibit 5**. No appraisals of the Neighborhood system were obtained as part of CSWR-Florida's acquisition of the system.

12. The 5-year projected impact on the cost of providing service to the customers of the utility system being acquired, including the impact of any operation and maintenance cost savings and economies of scale expected to result from the acquisition transaction, the impact of the cost of any plant infrastructure additions, and the impact of the acquisition adjustment

Neighborhood Utilities, Inc. last filed an annual report for 2021. CSWR-Florida acquired the system from Neighborhood on November 17, 2022, so CSWR-Florida's first full year of operating the system was 2023. Attached as **Exhibit 6** is a document showing Neighborhood's utility operating expenses for 2021 along with CSWR-Florida's utility operating expenses for the last twelve months of actual costs ending in December 31, 2024. The exhibit also includes projected utility operating expenses for the next five years. Accordingly, **Exhibit 6** shows the impact of the acquisition on the cost of providing service to the customers of the system using actual data to the extent it is available and then projections for the remainder of the five years from acquisition.

As shown in **Exhibit 6**, following CSWR-Florida's acquisition, the annual operating costs have decreased compared to those of Neighborhood's previous costs, and these efficiencies are expected to continue throughout CSWR-Florida's ownership. The significantly large size of CSWR's affiliate group, especially as compared to a utility like Neighborhood operating a single system, enables CSWR-Florida to acquire and provide a host of goods and services at a substantially reduced unit cost. The types and quality of legal, managerial, accounting, engineering, financial, and other services CSWR provides to CSWR-Florida and its out-of-state affiliates are often not available to small utilities. And when such services are available, they are not available at the low cost CSWR-Florida will pay for such services. Under the cost allocation formula and procedure used by CSWR, CSWR-Florida pays less than 13 percent of the total cost of providing these services.

In addition, because of its relative size and its affiliation with CSWR, CSWR-Florida and its customers get access to technologies and other resources that would either not be available to small standalone systems or would be available but at significantly higher costs. For example, CSWR-affiliated utilities use a computerized, work order-based maintenance management system that uses GPS and RFID technology to create virtual maps and ensure assigned work orders are timely completed. Customers have access to a 24/7/365 call center for questions, billing and payment issues, and emergency service calls. CSWR-affiliated utilities including CSWR-Florida use a cloud-based electronic billing and information portal that gives customers access to use, billing, and payment information.

Since acquiring the Neighborhood system in 2022, CSWR-Florida has made significant plant infrastructure additions to improve compliance and the quality of service to customers and it has many more such additions planned for the future. For details on both completed and planned improvements, please refer to section III.10, above. Additionally, these upgrades are necessary regardless of ownership, as the previous owner would have been required to complete them as well. As a result, the cost increases shown in **Exhibit 6** reflect the essential nature of these upgrades and the associated costs of providing water service over the five years following the acquisition, including expenses such as depreciation, which will increase over time as the facility's infrastructure continues to age.

If the Commission grants the \$399,937 acquisition adjustment requested by this Petition, with a 30-year amortization, the impact of the acquisition adjustment is projected to be seventeen cents (\$0.17) per water connection per month. This projection is based on the assumption that the acquisition adjustment would affect rates at a consolidated level for CSWR-Florida. CSWR-Florida acknowledges that any future rate increases for the system must be reviewed and approved by the Commission.

CSWR-Florida believes that if the full positive acquisition adjustment is approved, a water rate increase to \$48.50 per connection (approximately 41.91%) is anticipated within 12 months, followed by an increase to \$54.24 per connection within 24 months. Without the full acquisition adjustment, the projected water rate increase would be to \$48.33 per connection (approximately 41.42%) within 12 months, followed by an increase to \$54.15 per connection within 24 months. Accordingly, if the requested acquisition adjustment is granted in full, the projected impact to water rates is \$0.17 per connection per month.

13. An explanation as to how the acquiring utility has greater access to capital than the acquired utility, if applicable

The prior owner's access to capital is unknown. The insolvency and continued losses year after year shown in the annual reports, paired with the history of compliance issues, suggest either an inability or unwillingness to access capital to improve the system for the benefit of customers. CSWR-Florida, through its ultimate parent company CSWR, has access to both debt and equity capital necessary to continue to make required improvements and upgrades to the Neighborhood system, in substantial amounts. CSWR has been able to secure both debt and equity capital necessary to purchase small, oftentimes distressed, water and wastewater systems, make investments necessary to bring those systems into compliance with applicable health, safety, and environmental protection laws and regulations, and also provide working capital necessary to operate the acquired systems until applications for compensatory rates can be prepared and prosecuted.

To date, CSWR has invested through its affiliates, including CSWR-Florida, more than \$815 million to purchase, upgrade, and operate water and wastewater systems. This includes a capital investment in Florida of more than \$77 million. Although CSWR's investment in Florida has to date been exclusively in the form of equity, the company recently secured a \$325 million debt facility to balance the capital structure it uses to make the previously described investments.

In addition, at the appropriate time (i.e., sometime after the first general rate case) CSWR-Florida plans to pursue debt financing from non-affiliated commercial sources that would allow it to balance its internal capital structure. In contrast, as reflected in the company's annual reports for various years during the period 2019 through 2021 (see **Exhibit 4**), Neighborhood Utilities, Inc. recorded negative net income. A company in such financial condition cannot easily attract either debt or equity capital necessary to make the level of required investments in its system.

IV. BASIS FOR GRANTING THE PETITION

CSWR-Florida satisfies each of the three elements required by rule 25-30.0371(3)(a), F.A.C., for an acquisition adjustment to be allowed, as described below.

1. The acquired utility meets the definition of a non-viable utility.

As defined in rule 25-30.0371(1)(e), F.A.C., a “non-viable utility” means a utility that meets either of the following subparagraphs:

1. A utility that is currently unable or is projected to be unable to provide and maintain safe, adequate, and reliable service and facilities to its customers over the 5-year period following the date of acquisition due to:
 - a. Failure to comply with or history of enforcement or compliance actions by federal, state, or local regulatory agencies based on violations of primary or exceedance of secondary water quality standards or other health, safety, and environmental standards; and
 - b. Insufficient investment, repair, maintenance of assets or an inability to acquire and maintain adequate managerial, operational, financial, or technical capabilities to ensure safe and reliable service to its customers; or
2. A utility that is insolvent, i.e., unable to pay debts.

Neighborhood satisfies each of the alternative definitions for a non-viable utility. At the time CSWR-Florida acquired its water system, Neighborhood was “unable or projected to be unable to provide and maintain safe, adequate, and reliable service and facilities to its customers” and was insolvent.

The first indicator of non-viability from the rule is a history of enforcement or compliance actions evidencing a failure to comply with federal, state, or local health, safety, or environmental regulations. Neighborhood's history of enforcement and compliance actions are discussed in section III.8. above. The types and pattern of violations during the five-year period immediately preceding the acquisition strongly suggests the same pattern of non-compliance would have continued had CSWR-Florida not acquired the system.

The second indicator of non-viability from the rule is insufficient investment, repair, and maintenance of system assets or an inability to acquire and maintain adequate managerial, operational, financial, or technical capabilities to ensure safe and reliable service to customers. Neighborhood exhibited these deficiencies prior to the sale of the system to CSWR-Florida. Neighborhood's annual reports reveal several indicia of insolvency during this period, including negative net income from utility operations, with annual losses ranging from (\$9,981) to (\$18,732). Negative net income means the utility is not generating sufficient revenues to cover its operating

costs. The value of the enterprise is reflected in the company's negative retained earnings, which by 2020 had reached negative (\$134,920). This persistent negative retained earnings trend may explain the company's inability to invest adequately in its system assets or to acquire and maintain the necessary capabilities to ensure safe and reliable service to customers.

As detailed in the independent engineering assessment CSWR-Florida commissioned as part of its pre-closing due diligence, at the time of acquisition, Neighborhood's water system was in poor condition and was in need of capital investment. The study was unable to determine the age of many of the system's assets, which suggests that many were at or near the end of their useful operating lives. All major system components were documented as in poor or fair condition with nothing in good condition. Improvements were recommended for nearly all assets.

The inadequacy of Neighborhood's operational management prior to acquisition is apparent from the relevant facts. Neighborhood operated the system in such a technically deficient manner that it received regular citations from FDEP for violations of regulations designed to ensure drinking water is safe for customers and that service is reliable. These and other management failures, including failure to replace, repair, and maintain equipment, provided a level of customer service that was neither safe nor adequate.

Finally, with respect to the second of the two alternative definitions of non-viability as specified in rule 25-30.0371(1)(e)(1)b.2., F.A.C. ("[a] utility that is insolvent, i.e., unable to pay debts") CSWR-Florida believes that at the time of its acquisition, Neighborhood was insolvent. Annual Reports filed by Neighborhood between 2017 and 2021 show several indicia of insolvency. For example, for most of these years Neighborhood recorded negative net income from utility operations, with annual losses ranging from (\$9,981) to (\$18,732). Negative net income means the utility is not generating sufficient revenues to cover its operating costs. The value of the enterprise is reflected in the company's negative retained earnings, which by 2020 was negative (\$134,920). This persistent negative retained earnings trend shows that the company had been operating at a loss for years and lacked the ability to generate sufficient revenue to cover past losses. Furthermore, the company's deteriorating net utility plant coupled with the fact that Neighborhood had no outstanding long-term loans from external lenders shows an inability to attract external capital. Any business that consistently displays these characteristics is financially insolvent.

2. CSWR-Florida's purchase of the Neighborhood water systems was part of an arms-length transaction

The purchase price and terms of sale were determined through arms-length negotiations between representatives of two non-affiliated and otherwise wholly independent parties: CSWR and Neighborhood Utilities, Inc. The parties entered into an *Agreement for Purchase and Sale*, dated May 27, 2021, which included a purchase price of \$460,000 for all assets used by the seller to provide water service to customers in Duval County.

3. Customers of the former Neighborhood water systems have benefitted and will continue to benefit from the acquisition of the system by CSWR-Florida.

Rule 25-30.0371(3)(a), F.A.C., identifies six (6) factors the Commission is to consider in determining whether customers of the acquired utility benefit from the acquisition. The application of these factors show the benefit to customers of the former Neighborhood system from the CSWR-Florida acquisition.

A. Anticipated improvements in quality of service

Since the acquisition by CSWR-Florida, there have been significant improvements in the quality of service, including the following, all of which benefit customers:

- Reduced risk of system failures. Customers have benefitted, and will continue to benefit, from CSWR-Florida's significant investments in infrastructure upgrades and preventative maintenance programs that reduce the risk of catastrophic system failures and service that fails to meet customer needs and expectations. These improvements ensure safer, more reliable water systems, minimizing disruptions and protecting public health and the environment.
- Appropriate staffing levels, by highly-qualified Operations & Maintenance (O&M) personnel. CSWR-Florida uses a highly trained and experienced third-party contractor to perform day-to-day operations and maintenance functions. The contractor's personnel must have and maintain all required state licenses and must perform services in accordance with standards prescribed by CSWR-Florida. These services include, but are not limited to, making a minimum of three weekly site visits, performing weekly inspections of the facilities' components, completing all routinely scheduled work orders, preparing and filing necessary reports with regulatory agencies to ensure ongoing compliance, and ensuring personnel are on-call 24/7 in case of any emergencies.
- Faster work order processing through technology. Operations and maintenance personnel use cost-effective technologies to help improve service quality while minimizing costs. These technologies include a computerized, work order-based maintenance management system that uses GPS and RFID technology to ensure assigned work orders are timely completed. These off-the-shelf technologies are used by all CSWR-affiliated utilities, which allows CSWR-Florida to benefit from economies of scale not available to a single system like Neighborhood.
- Remote system monitoring. CSWR-Florida's implementation of remote monitoring technology allows operators to continually monitor performance of system components. This allows operators to identify and remedy malfunctions before they adversely affect customer service.
- Better regulatory and permit compliance information, in real time. CSWR-Florida has implemented and uses an Environmental Management Information System that systematically obtains, processes, and makes available environmental information necessary to ensure the system complies with applicable law and permit limits.

- Better and faster system information to customers. CSWR-Florida employs a proactive communications strategy that enhances the quality and substance of information customers regularly receive about their system. This effort includes multiple communications devices – such as periodic letters or postcards, incorporating QR codes on bills for periodic updates, and a Florida-specific website – to keep customers informed regarding system operations and planned and completed system improvements.
- 24/7/365 call center for customers. CSWR uses a well-staffed, centralized third-party call center that provides customers round-the-clock access to systems or personnel who can answer questions, deal with billing and payment issues, and receive emergency service calls. This call center is used by all CSWR-affiliated utilities, which allows CSWR-Florida to benefit from economies of scale not available to a small system like Neighborhood on a stand-alone basis.
- Electronic billing and information portal. CSWR-Florida’s use of a cloud-based customer information and billing system (Muni-Link) affords customers the ability to use electronic billing, online payment and bill processing, work-order management, and access to a portal providing customer-specific usage, billing, and payment information. This system is also used by all CSWR-affiliated utilities, thus allowing CSWR-Florida to benefit from associated economies of scale.
- Customer service response monitoring. CSWR uses a system that tracks key customer service metrics allowing CSWR’s affiliated utilities to quickly identify and remedy problems in key metrics such as speed of answer, dropped or abandoned calls, and the time spent with a customer service representative. The system also employs a voluntary survey to gauge customer satisfaction following each customer service call.

B. Anticipated improvements in compliance with water or wastewater regulatory requirements

As demonstrated by its affiliated group’s extensive track record around the country and CSWR-Florida’s specific plans for the former Neighborhood water system, customers have experienced and can continue to anticipate substantial improvements in compliance with regulatory requirements. Based on the number of systems it owns, the number of systems it has purchased and brought into (and kept in) environmental compliance, and the experience of its personnel in rehabilitating distressed small water utilities, CSWR is highly qualified, if not the most qualified utility in the United States, to bring the former Neighborhood system into regulatory compliance. The CSWR group currently owns and operates more than 940 water and wastewater plants in eleven states. Since March 2015, CSWR-affiliated companies have, with the approval of the state water regulatory authorities, designed, permitted, and completed construction of numerous water system improvements. These include pressurization pump assemblies, drilling water wells, erecting or rehabilitating well houses, closing failed wells, blasting/coating water storage tanks, replacing meter pits with new meters, replacing or repairing numerous water distribution lines, installing numerous isolation valve systems, installing a large number of flush

hydrants, repairing hundreds of leaking lines, and constructing or rehabilitating various other improvements to existing drinking water systems.

Some systems the CSWR affiliate group acquires are in receivership because their owners, like the previous owners of the Neighborhood system, were unable or unwilling to maintain their systems. CSWR's business plan has been, and continues to be, making investments in and taking the risks necessary to bring small water and/or wastewater systems into compliance with current statutes, rules, and regulations. Through its affiliates, like CSWR-Florida, CSWR has been able to acquire distressed, troubled, and/or undercapitalized systems, invest capital necessary to upgrade or repair physical facilities, and operate those systems in a way that satisfies customers, regulators, and investors alike.

As evidence of its capabilities, regulators in Missouri, Texas, Mississippi, Arizona, and Louisiana have asked CSWR and its utility affiliates to assume emergency operational responsibilities for distressed wastewater systems in those states. For example, in Texas CSWR-Texas acts as an emergency manager trusted by the Texas Public Utility Commission to take over some of the state's most troubled utilities. In Louisiana, CSWR was named as the first emergency manager for a water system by the Louisiana Department of Health, in addition to taking over more than a hundred systems pursuant to a Louisiana Department of Environmental Quality agreed Order addressing serious, ongoing environmental compliance issues. In Arkansas and Kentucky, environmental regulators requested CSWR's state affiliates to take over several distressed utilities. And in December 2021, the Arizona Corporation Commission authorized a CSWR affiliate to acquire distressed utilities, and approved incentives (including the opportunity to recover all or a significant portion of the difference between purchase price and net book value of acquired assets) for those acquisitions.

State regulators have expressly recognized and praised these efforts. In Missouri, both the Missouri Public Service Commission and the Missouri Department of Natural Resources ("MDNR") have recognized the solid track record of CSWR and its affiliates for acquiring, rehabilitating, maintaining, and operating troubled water and wastewater systems. In its Order approving one of the Missouri affiliate's acquisitions, the Missouri Commission noted that affiliate's "sound track record in rehabilitating similarly situated [i.e. troubled] systems" and its "ability to acquire, maintain, and operate the systems . . . to ensure safe and adequate service." In a June 2023 letter from the MDNR, that same affiliate was praised for its

willingness to acquire systems with long-standing compliance issues [that] has proven to be beneficial to human health and the environment by bringing many of these systems into compliance with environmental laws. The Department looks forward to continuing to work with [the Missouri affiliate] as it continues to acquire wastewater and public water systems in Missouri, in furtherance of the Department's initiative to encourage regionalization and consolidation of the many private systems in Missouri that are struggling to achieve compliance with laws for the protection of public health and the environment.

Similar sentiments were expressed by the Mississippi State Department of Health in a March 14, 2023 letter to Mississippi Public Service Commissioner Brent Bailey. In that letter, the Department of Health stated:

As you may be aware, Great River Utility Company [CSWR's Mississippi affiliate] has recently acquired several drinking water systems across the state. Great River Utility has worked closely with the [Bureau of Public Water Supply's] compliance and field staff to maintain compliance with the various rules and regulations of the Safe Drinking Water Act. A viable entity such as Great River Utility desiring to help problematic drinking water systems by investing in them for improved services to citizens is very appreciated and supported by the Bureau.

CSWR and CSWR-Florida have brought and will continue to bring this same level of commitment to the required renovation of the Neighborhood system.

C. Anticipated impacts on the cost of providing service over the next 5 years from the date of acquisition

Please see section III.12. above for the anticipated impact on the cost of providing service over the next 5 years from the date of acquisition.

D. Anticipated cost efficiencies, including any economies of scale

Because of its significantly larger size, CSWR, on behalf of its affiliated utilities, can achieve economies of scale – i.e., lower unit costs for many goods and services necessary to operate a system – than are available to a small utility like Neighborhood on a stand-alone basis. These include services such as engineering, accounting, billing, legal, business planning, and operations management. Many of these services are rendered by employees of CSWR, whose costs are allocated to CSWR-Florida and its affiliates according to a Cost Allocation Manual. In addition, the size of the CSWR affiliate group allows it to purchase equipment and supplies in larger quantities, which allows the group to take advantage of vendor discounts available to large and repeat customers. Please also see section III.12. of the Petition Filing Requirements above for more information relating to economies of scale.

Being part of a large, affiliated group of utilities also allows CSWR-Florida to reap the benefits of operational efficiencies achievable through investments in technology and the involvement of experienced and well qualified personnel in daily utility and back-office activities. None of these efficiencies would be available to a small utility like Neighborhood on a stand-alone basis.

E. Ability to attract capital at reasonable cost

The ability of CSWR and CSWR-Florida to attract capital at reasonable cost as outlined in section III.13. of the Petition Filing Requirements, ensures the necessary resources are available to make critical system improvements and upgrades. By securing a \$325 million debt facility and strategically balancing its capital structure, CSWR has demonstrated its ability to provide funding

for infrastructure investments while maintaining financial prudence. This approach benefits customers by enabling compliance with health, safety, and environmental regulations, ensuring reliable service, and promoting long-term system sustainability, all while mitigating the financial risks associated with distressed water and wastewater systems like Neighborhood, which appears to have historically struggled to attract capital due to persistent negative net income.

F. The professional and experienced managerial, financial, technical, and operational resources of the acquiring utility

The experience and expertise of CSWR's and CSWR-Florida's personnel regarding the technical and managerial aspects of owning and operating a water utility are described in section III.7 of the Petition Filing Requirements above and the financial capabilities are described in section III.13.

V. NOTICE OF THE PETITION

Pursuant to rule 25-30.0371(8), F.A.C., attached as **Exhibit 7** is a draft notice for review by Commission staff. Once staff has approved the notice, CSWR-Florida will provide the notice as provided by the rule and file proof of noticing.

WHEREFORE, CSWR-Florida requests that the Commission grant this Petition and an acquisition adjustment of \$399,937 to be amortized over 30 years.

Respectfully submitted this 24th day of October, 2025.

/s/ Thomas A. Crabb
Susan F. Clark, FBN 179580
Thomas A. Crabb, FBN 25846
Radey Law Firm
301 South Bronough Street, Suite 200
Tallahassee, FL 32301
(850) 425-6654
sclark@radeylaw.com
tcrabb@radeylaw.com
Attorneys for CSWR-Florida

EXHIBIT 1

AGREEMENT FOR PURCHASE AND SALE OF UTILITY SYSTEM

THIS AGREEMENT FOR PURCHASE AND SALE OF UTILITY SYSTEM (“Agreement”) is made and entered into this 21st day of May, 2021, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate (“Buyer”), and NEIGHBORHOOD UTILITIES, INC., a Florida Corporation (“Seller”), collectively (the “Parties”).

WITNESSETH:

WHEREAS, Seller has developed and operates as a regulated water utility in the area more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in Duval County, Florida (hereinafter the “System”); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a corporation, organized and existing under the laws of the State of Florida, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of water to each of the customers connected to the service area (defined further below as “Assets”); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. SALE OF ASSETS.

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer’s designated affiliate, all of Seller’s then existing assets pertaining to the provision of water service, as-is, where-is, in the System located in Duval County, in the State of Florida, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases

related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit "B"*, attached hereto;

B. All of Seller's water service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Duval County, Florida, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any water certificates, certificate rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of water service in Duval County, Florida as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the water service, except accounts receivable accrued prior to the Closing; and

F. All assets not described which are located in Duval County, Florida, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any water and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the State of Florida,

which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Seller shall act diligently and cooperate with Buyer to obtain any regulatory approvals required from the Florida Public Service Commission ("FPSC"), Florida Department of Environmental Protection ("FDEP"), or any other regulatory agency in the State of Florida, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.**

Buyer agrees to pay to Seller at the Closing Four Hundred Sixty Thousand and 00/100 Dollars (\$460,000.00) for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, or at such other time as the parties hereto may mutually agree (the "Closing"). Buyer will use its best efforts to for the Closing to occur by December 15, 2021. At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance of the Assets as Seller possesses and shall be effective to vest in Buyer

such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward. Seller shall remain responsible for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a corporation, organized and existing under the constitution and laws of the State of Florida in good standing with the Florida Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the

business or operations of the System;

ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained the legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of the foregoing, Seller agrees to work with Buyer's surveyor prior to closing to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Duval County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect

in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, the System is being conducted, and as of the date of the Closing, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes. Seller agrees that from the Effective Date until either the termination of this Agreement or until after the Closing that Seller will not file any notices, requests, compliance documents, pleadings, or any other documents with any governmental or quasi-governmental authority that has jurisdiction over Seller in the operation, regulation or oversight of the System or any other endeavors of Seller (whether related to the System or not) without first providing at least ten (10) days prior notice to the Buyer for review and comment on such filing.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local

ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation organized, existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

The FPSC and FDEP shall have, if necessary, authorized or approved the sale, transfer or disposition of the Assets to Buyer from Seller, the proposed financing, and any schedule of compliance for proposed utility improvement projects for regulatory compliance deemed necessary by Buyer, each in form and substance (including without limitation with respect to the terms and conditions contained in such approval) acceptable to Buyer in Buyer's sole and absolute discretion. Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such

time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing; including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the date of the Closing, to include any regulatory assessments.

D. **Feasibility.**

Completion of Buyer's examination, testing and inspection of the Assets, the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, and any other due diligence determined by the Buyer as necessary in order to determine the feasibility of this acquisition, the results of any of the foregoing to be satisfactory to Buyer, in its sole and absolute discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of the Closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller

contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current hazard insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement is being delivered and is intended to be performed in the State of Florida, and shall be construed and enforced in accordance with the laws of such state.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 20, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (c) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (d) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the

courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
1650 Des Peres Road, Suite 303
St. Louis, MO 63131
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
Beckemeier LeMoine Law
13421 Manchester Rd., Suite 103
Saint Louis, Missouri 63131
Phone: (314) 965-2277
E-mail: jim@bl-stl.com

If to Seller:

W. Larry O'Steen
1381 Cassat Ave
Jacksonville, FL 32205
Phone: 904-387-0487
Email: wlarryo@hotmail.com

With a Copy to:

William E. Sundstrom, P.A
Sundstrom & Mindlin, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
wsundstrom@sfllaw.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default,

misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

27. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon

28. CONFIDENTIALITY. Buyer and Seller shall keep confidential this Agreement, this transaction, and all information learned in the course of this transaction, except to the extent disclosure is required by law or court order or to enable third parties to advise or assist Buyer to conduct its due diligence or either party to close this transaction.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

NEIGHBORHOOD UTILITIES, INC.

By: 

W. Larry O'Shea, President

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

By: 

Josiah Cox, President

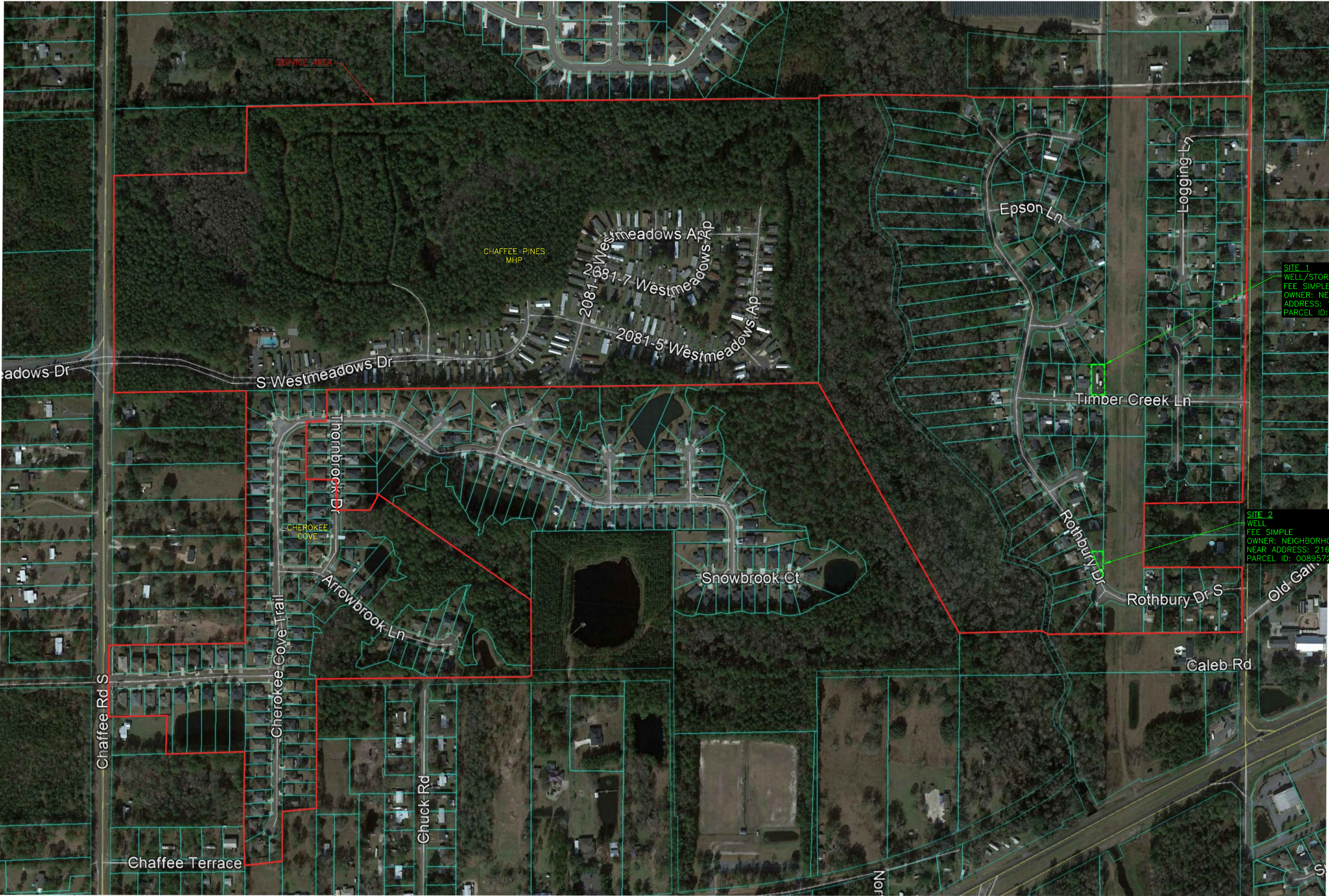
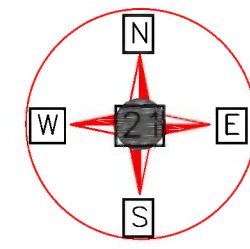
EXHIBIT "A"

Service Area Description

[SERVICE AREA MAP & LEGAL DESCRIPTION TO BE FINALIZED PRIOR TO CLOSING]

See Preliminary Exhibit A, attached

**ROUGH SERVICE AREA MAP (v1)
NEIGHBORHOOD UTILITIES INC.
(WATER)
DUVAL, FL**



SITE 1
WELL/STORAGE TANK
FEE: SIMPLE
OWNER: NEIGHBORHOOD UTILITIES INC.
ADDRESS: 10487 TIMBER CREEK LANE
PARCEL ID: 0089831002R

SITE 2
WELL
FEE: SIMPLE
OWNER: NEIGHBORHOOD UTILITIES INC.
NEAR ADDRESS: 2169 ROTHBURY
PARCEL ID: 0089572210R

PRELIMINARY Exhibit A
(Agreement for Sale of Utility System - Neighborhood Utilities)

Utility Note Disclaimer:

The utilities shown hereon are depicted based on the description provided by the system manager. 21 Design Group, Inc performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general layout of the system only and should not be used to interpret encroachments.

DATE:	06/02/21
PROJECT NO.:	0633-20
DRAWN BY:	B.J.K.
SCALE:	
SHEET NAME:	
SERVICE AREA MAP	



1351 Jefferson, Suite 301
Washington, MO 63090
mail@21designgroup.net
P: 636-432-5029

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be
determined by survey and title commitments, which shall be inserted prior to the Closing).

[TO BE FINALIZED PRIOR TO CLOSING]

**The following described lots, tracts or parcels of land, lying, being and situate in the County of Duval,
State of Florida:**

**All interests in land used or useful in operation of the Water System that services the area set forth on
EXHIBIT A, including but not limited to easements, rights of way and permits, and including the real
property described as Parcel ID 0089831002R & Parcel ID 0089572210R**

EXHIBIT "C"

Personal Property and Equipment
(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and
other tangible items)

[TO BE FINALIZED PRIOR TO CLOSING]

All Property set forth herein shall be transferred to Buyer free and clear of all liens, pledges, leases, options, rights of first refusal, conditional sales agreements or any other such encumbrances.

All personal property comprising the Water System that services the area set forth on EXHIBIT A, including but not limited to, the water lines, pipes, wells, well house, tanks, pumps, meters, valves, and any other appurtenances of the Water System, and all machinery, equipment, supplies and other tangible items used in connection with the Water System.

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.
(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements,
bonds and/or other financial assurances and customer deposits)

[TO BE FINALIZED PRIOR TO CLOSING]

NONE

EXHIBIT 2

Settlement Statement

	File Number: 43165	Loan Number:	
Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing, they are shown here for informational purposes and are not included in the totals.			
BUYER: CSWR-Florida Utility Operating Company, LLC 1630 Des Peres Rd., Suite 140 St. Louis, MO 63131	SELLER: Neighborhood Utilities, Inc. 1381 Cassat Avenue Jacksonville, Florida 32205	Name & Address of Lender: N/A	
Property Location: 0 Rothbury Drive, Jacksonville, Florida 32221 10487 Timber Creek Ln, Jacksonville Florida 32221 Parcel Nos. 008957-2210, 008983-1002	Settlement Agent: Gartner Brock and Simon, LLP Place of Settlement: 1300 Riverplace Blvd. #525, Jacksonville FL 32207	Closing Date: November 17, 2022	

Summary of Buyer's Transaction

100. Gross Amount Due from Buyer	
101. Contract sales price	\$ 460,000.00
102.	
103.	
104.	
105. Settlement charges to buyer (line 1400)	\$ 7,185.94
Adjustment for items paid by seller in advance	
106. City/town taxes	
107.	
108.	
109.	
110.	
111.	
112.	
120. Gross Amount Due from Buyer	\$ 467,185.94
200. Amount Paid by or in Behalf of Buyer	
201. Deposit or earnest money	
202.	
203.	
204.	
205.	
206.	
207.	
208.	
209.	\$ -
Adjustments for items unpaid by seller	
210.	
211.	
212.	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Buyer	\$ -
300. Cash at Settlement from/to Buyer	
301. Gross amount due from buyer (line 120)	\$ 467,185.94
302. Less amounts paid by/for buyer (line 220)	\$ -
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Buyer	\$ 467,185.94

Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	\$ 460,000.00
402.	
403.	
404.	
405.	
Adjustment for items paid by seller in advance	
406. City/town taxes	
407.	
408.	
409.	
410.	
411.	
412.	
420. Gross Amount Due to Seller	\$ 460,000.00
500. Reductions In Amount Due to Seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	\$ 2,929.35
503.	
504.	
505.	
506.	
507.	
508.	
509.	
520. Total Reduction Amount Due to Seller	\$ 2,929.35
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	\$ 460,000.00
602. Less reductions in amount due seller (line 520)	\$ (2,929.35)
603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$ 457,070.65

Counterparts. This Settlement Statement may be executed in one or more counterparts. Each such counterpart, when executed and delivered, shall be an original, but all such counterparts together shall constitute a single document. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of the Settlement Statement to physically form one document. Executed signature pages may be delivered by facsimile or email and when so delivered shall have the same force and effect as an original.

Settlement Charges

700. Total Real Estate Broker Fees		Paid From Buyer's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of commission (line 700) as follows:			
701.	to		
702.	to		
703.			
704.			

800. Items Payable in Connection with Loan			
801.			
802.			
803.			
804.			
805.			
806.			
807.			
808.			
809.			
810.			
811.			

900. Items Required by Lender to be Paid in Advance			
901.			
902.			
903.			
904.			

1000. Additional Settlement Charges			
1001.			
1002.			
1003.			
1004.			
1005.			
1006.			

1100. Title Charges			
1101.	Fidelity National Title - Search Fee Invoice No. 9744045 \$500.00 (POC)		
1102.	Owner's title policy (\$649,500.00)	\$ 3,322.50	
1103.			
1104.			
1105.			
1106.			
1107.			
1108.			
1109.			

1200. Government Recording and Transfer Charges			
1201.	Special Warranty Deed - recording	\$ 35.50	
1202.	Documentary Stamp Tax - Warranty Deed (\$460,000.00)	\$ 3,220.00	
1203.	General Assignment - recording	\$ 86.50	
1204.			
1205.	Index Fee \$4.75 per document (2 documents)	\$ 9.50	
1206.			

1300. Additional Settlement Charges			
1301.	Post Closing Costs - Gartner, Brock and Simon	\$ 100.00	
1302.	Attorneys Fees - Gartner, Brock and Simon	POC	
1303.	2022 RE Tax - payable to Tax Collector (Total Nov amount due: \$58.12) (Parcel No. 008983-1002) Buyer: \$58.12/365 x 45 days	\$ 7.17	\$ 50.95
1304.	2022 Tangible - payable to Tax Collector (Total Nov amount due: \$3,283.17) (Acct 815059-0000) Buyer: \$3,283.17/365 x 45 days	\$ 404.77	\$ 2,878.40
1305.			
1306.			
1400.	Total Settlement Charges (enter on Line 103, and on Line 502)	\$ 7,185.94	\$ 2,929.35

--

Settlement Statement
Signature Page SELLER

Seller: NEIGHBORHOOD UTILITIES, INC., a Florida corporation
Buyer: CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC
Property: 0 Rothbury Drive, Jacksonville, Florida 32221, 10487 Timber Creek Ln, Jacksonville Florida 32221
Settlement Agent: Gartner, Brock and Simon, LLP
Closing Date: November 17, 2022

This Settlement Statement may be executed in one or more counterparts. Each such counterpart, when executed and delivered, shall be an original but all such counterparts together shall constitute a single document. Signature pages may be detached from the counterparts and attached to a single copy of the Settlement Statement to physically form one document. Executed signature pages may be delivered by facsimile or email and, when so delivered, shall have the same force and effect as an original. The undersigned hereby acknowledge and approve the foregoing Settlement Statement in connection with this sale/purchase/loan transaction, and direct that the closing funds be disbursed by Gartner, Brock and Simon, LLP in accordance herewith.

SELLER:
NEIGHBORHOOD UTILITIES, INC., a Florida corporation

By: 
William L. O'Steen, President

Settlement Statement
Signature Page BUYER

Seller: NEIGHBORHOOD UTILITIES, INC., a Florida corporation
Buyer: CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC
Property: 0 Rothbury Drive, Jacksonville, Florida 32221, 10487 Timber Creek Ln, Jacksonville Florida 32221
Settlement Agent: Gartner, Brock and Simon, LLP
Closing Date: November 17th, 2022

This Settlement Statement may be executed in one or more counterparts. Each such counterpart, when executed and delivered, shall be an original but all such counterparts together shall constitute a single document. Signature pages may be detached from the counterparts and attached to a single copy of the Settlement Statement to physically form one document. Executed signature pages may be delivered by facsimile or email and, when so delivered, shall have the same force and effect as an original. The undersigned hereby acknowledge and approve the foregoing Settlement Statement in connection with this sale/purchase/loan transaction, and direct that the closing funds be disbursed by Gartner, Brock and Simon, LLP in accordance herewith.

BUYER
CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC
a Florida limited liability company

CENTRAL STATES WATER RESOURCES, INC.
its Manager

By: _____
Josiah M. Cox, its President



EXHIBIT 3

Neighborhood Utilities WSDWS

Primacy Agency Code	Primacy Agency	PWS ID	PWS Name	Service Connections Count	EPA Region	Activity Status	PWS Type	GW or SW	Violation Id	Violation Code	Violation Category Code	Is Health Based	Is Major Violation	Compliance Period Begin Date	Compliance Period End Date	Rule Name	Violation Type	Compliance Status	Enforcement Action Description	V First Reported Date
FL	Florida	FL2164279	NEIGH-BOR-HOOD UTILITIES (TIMBER CREEK)	406	Region 4	Active	Community water system	Groundwater	20190007597	3A	MON	N	N	01-Jan-2019	31-Jan-2019	Revised Total Coliform Rule	Monitoring, Routine (RTCR)	Returned to Compliance	State Compliance achieved	21-May-2019
FL	Florida	FL2164279	NEIGH-BOR-HOOD UTILITIES (TIMBER CREEK)	406	Region 4	Active	Community water system	Groundwater	20190011677	72	Other	N	N	01-Jul-2019		Consumer Confidence Rule	Consumer Confidence Report Inadequate Reporting	Returned to Compliance	State Compliance achieved	20-Nov-2019
FL	Florida	FL2164279	NEIGH-BOR-HOOD UTILITIES (TIMBER CREEK)	406	Region 4	Active	Community water system	Groundwater	20220015957	52	MIR	N	N	01-Jan-2020		Lead and Copper Rule	Follow-up Or Routine LCR Tap MIR	Returned to Compliance	State Compliance achieved	22-Nov-2022
FL	Florida	FL2164279	NEIGH-BOR-HOOD UTILITIES (TIMBER CREEK)	406	Region 4	Active	Community water system	Groundwater	20200009533	72	Other	N	N	01-Jul-2020		Consumer Confidence Rule	Consumer Confidence Report Inadequate Reporting	Returned to Compliance	State Compliance achieved	17-Nov-2020
FL	Florida	FL2164279	NEIGH-BOR-HOOD UTILITIES (TIMBER CREEK)	406	Region 4	Active	Community water system	Groundwater	20220015189	72	Other	N	N	01-Jul-2022		Consumer Confidence Rule	Consumer Confidence Report Inadequate Reporting	Returned to Compliance	State Compliance achieved	22-Nov-2022

Summary

Monitoring and consumer confidence rule violations

DOCUMENT DATE	DATE RECEIVED	DOCUMENT TYPE	SUBJECT	Notes	FILE PATH
7/27/2018	8/27/2018	REPAIRS - MAINTENANCE RELATED	TANK INSPECTION REPORTS	tank inspection for 3 tanks with some maintenance recommended	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1024781.1
5/28/2019	5/28/2019	WARNING LETTER	WL19-0116	warning letter resulting from file review finding deficient bacteriological sampling requiring public notice be completed. Additional "potential noncompliance" noted; standby power still not functioning and corrosion located below aerator on GST2	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1112185.1
6/24/2019	6/24/2019	PUBLIC NOTICES	JAN 2019 BACTI NOTICE AND COD	public notice verification for monitoring violation, fecal coliform, lab work indicated results for most samples but included information for one sample which no results or data was available	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1146279.1
9/3/2020	9/3/2020	WARNING LETTER	WL20-195	warning letter resulting from inspection finding noncompliance. Issues noted: - high service pump 2 leaking - well pump 1 leaking - well pump 1 had biogrowth in well casing - generator has been nonfunctional for more than 3 years	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1246017.1
12/14/2020	12/14/2020	INCIDENT OR MALFUNCTION REPORTING RELATED	2164279 NOTIFICATION RECEIPT	DEP notifying that they received notification of an incident or malfunction from the utility and that in inspector may follow up.	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1276157.1
12/14/2020	12/14/2020	INCIDENT OR MALFUNCTION REPORTING RELATED	2164279 - NOTICE OF INCIDENT OR MALFUNCTION	precautionary boil water notice due to water main break repair	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1276158.1
10/25/2021	10/25/2021	CONSENT ORDER	DRAFT LFCO 21-0814	subsequent draft	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1367304.1
10/25/2021	10/25/2021	CONSENT ORDER	DRAFT LFCO 21-0814	First draft of consent order 21-0814. Violations identified: - No standby power provided (failed generator since at least 2017) - leaking high service pump - Well pump one had biological growth in pump housing - well pump 1 leaking	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1367036.1
1/11/2022	1/11/2022	CONSENT ORDER	DRAFT SFCO 21-0814	subsequent draft	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1389052.1
4/1/2022	4/1/2022	CONSENT ORDER	EXECUTED SFCO 21-0814	final consent order, includes 2,500 penalty+enforcement costs	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1416034.1
6/7/2022	6/7/2022	CONSENT ORDER	OGC 21 -0814(\$2500.00 PENALTY/COST)	penalty paid	https://prodenv.dep.state.fl.us/DepStaging/api/dms/32.1438986.1
			Summary	noncompliance related to condition of assets and backup power being down for a very long time. Resulted in fines	

Neighborhood Utilities, Inc.

1381 Cassat Ave.

Jacksonville, Florida 32205

(904) 387-0487

Email: accounts@nuijax.com

August 23, 2018

Florida Department of Environmental Protection

Northeast District

8800 Baymeadows Way West, Suite 100

Jacksonville, FL 32256

Re: Tank inspection reports

ATTN: Shane Tierney

Please see the attached subject reports as discussed.
Please advise if you need anything further.

Yours truly,



W. Larry O'Steen
President

Copy: Robin Higgins
Operations Compliance Coordinator
U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, FL 34652




Tank Reports

Zach Rogers <zach@indepthservicesinc.com>

Wed 8/15/2018 12:39 PM

To: wlarryo@hotmail.com <wlarryo@hotmail.com>; accounts@nujjax.com <accounts@nujjax.com>;

Categories: accounts@nujjax.com

-  **20kg - Neighborhood Utilities (Final) - Sealed ...**
-  **40kg - Neighborhood Utilities (Final) - Sealed ...**
-  **Neighborhood Utilities -Hydro 2.5kg (Final) - S...**

Larry,

Here are digital copies of your 3 separate tank inspections:

Please let me know if there is anything else I can help you with.

Zach Rogers
 Administrative Director
 386-202-2771
zach@indepthservicesinc.com
InDepthServicesINC.com



800 Belle Terre Pkwy
 Unit 200 #122
 Palm Coast, FL 32164

Recognized Standards





In Depth Inc.
800 Belle Terre Pkwy Unit 200 #122
Palm Coast, FL 32164
(386) 202-2771

In-Depth Inspection Report for

Neighborhood Utilities Inc.

Jacksonville, FL



North Tank

Steel Welded

2,500 gallon

Hydro-Pneumatic

Year Constructed: 2009

Inspection Date: 7/27/18

Person Completing Form: Z.R.

Supervisor: Z.R.

Team : Alpha

Engineer: R.N.



Scope of Work:

Our team has performed & completed a high pressured sterile cleaning process via pressure washer . Sediment depths, ranging from **1.5"** , were removed from the tank floor and/or walls. When the cleaning process was finished, a full visual inspection (NDT) was performed of the tank interior and all interior fixtures. The team also performed a full visual inspection of the tank exterior and all attached fixtures. The evaluation taken on the construction of this tank, complies with ASME Section VIII. All NDT (non-destructive testing) have been performed up to code, in order to identify the structural integrity as well as the coating condition of this structure. All operable plumbing components have been inspected and evaluated within this report. All evaluations done, where performed in according to American Water Works Association (AWWA), NACE, SSPC, ASNT, ACI and AWS standards under the guidance of OSHA, DEP, and EPA regulations. Utilizing the necessary and proper procedures, the tank has been left internal in sanitary condition. Elements found pre-clean as well as details of the inspection and its findings have been included within the report below.

Summary of the Inspection:

Exterior Inspection

1. Easy access to tank
2. Locked Security perimeter
3. Bolted / Pressurized Access Hatch (new gasket installed)
4. Poor drainage system causing erosion in surrounding terrain

Interior Inspection

1. Approx. 1.5" inches of silt and heavy iron sediment removed from tank floor
2. Minimal signs of corrosion noted below the water line
3. Minor sediment staining noted throughout below the water line
4. Moderate signs of blistering noted in coating throughout central tank floor
5. Moderate surface corrosion & Oxidation noted throughout tank above water line.
6. Unable to fully isolate water flow (incoming flow from outlet, possible failed valve)

Recommendations:

1. Routine Clean & Inspect every 3 to 5 years per AWWA recommendations
2. Consider interior coating repairs to localized areas of corrosion throughout tanks roof
3. Add a "Splash Zone" pad or plumbing to redirect discharge run off from drain
4. Diagnose valve system issue in order to fully isolate incoming water flow

Engineer Seal:

Robert J. Norton PE
FL Reg. No. 54750

This Item Has Been Electronically Signed And Sealed By:
ROBERT J. NORTON PE FL REG. NO. 54750 Using A Digital
Signature And Date. Printed Copies Of This Document Are Not
Considered Signed And Sealed And All Signatures Must Be
Verified On Any Electronic Copies. THIS DRAWING, DESIGN
CONCEPT, SPECIFICATION AND ASSOCIATED CONTRACT
DOCUMENTATION ARE THE PROPERTY OF ROBERT J. NORTON PE AND MAY NOT
BE USED FOR ANY PURPOSE UNTIL FULL PAYMENT IS RECEIVED. THEY ARE
FURNISHED AS CONFIDENTIAL. WITH AN EXPRESSED UNDERSTANDING THAT THEY
WILL NOT BE DUPLICATED IN ANY MANNER, USED FOR MANUFACTURE, SOLD,
TRANSFERRED, NOR USED TO THE DETRIMENT OF ROBERT J. NORTON PE OR HIS
REPRESENTATIVES WITHOUT WRITTEN PERMISSION. THE RECIPIENT FURTHER
AGREES NOT TO DISCLOSE THESE CONTENTS TO ANY OTHER PARTY, EXCEPT FOR
THE SPECIFIC PURPOSES FOR WHICH THIS SET WAS RELEASED. PAST DUE
INVOICES WILL BE CHARGED ON PAST DUE INVOICES AT THE MAXIMUM ALLOWED
BY THE STATE OF FLORIDA. MONTHLY ATTORNEYS FEES WILL BE FULLY
REIMBURSED; IF LEGAL PROCEEDINGS ARE REQUIRED, TO SECURE PAYMENT. ALL
WORK MUST BE COMPLETED BY LICENSED AND INSURED, TRADE APPROPRIATE
CONTRACTORS.



Digitally signed by

Robert Norton

Date: 2018.08.13

11:36:53 -04'00'

Key

Excellent – Like new, no repairs needed

Good – Cosmetic problems, repair if utility wants

Fair – Minor problems, repairs needed

Poor – Major problems, fix now



Tank Evaluation

Tank Security

Is the tank in a secured, gated area? Y N

Are the access gates locked? Y N

Is the tank equipped with a vandal guard on the access ladder(s)? Y N N/A

Is the vandal guard locked? Y N N/A

Are all of the access hatches locked? Y N

Are all of the vents/discharge openings properly covered? Y N

Does the tank exterior show any signs of trespass? Y N

Is the area surrounding the tank well lit? Y N

Are there any additional security features? Y N

Description: N/A

Additional Notes: None noted

Tank Condition

Does the tank appear to be structurally sound? Y N

Are there any unprotected openings in the tank (breaches, leaks, daylight, etc.) Y N

When viewed from inside the tank, is there visible daylight around the hatches, vents, joints or other fixtures? Y N

Tank Cleaning

Sediment depth before cleaning: 1.5" Sediment type: Silt / Heavy Iron

List any objects found inside the tank during cleaning that may have introduced contamination:

None noted

Allowable Operations:

UT (ultrasonic testing) was performed to identify the metal thickness of the head plates and walls. Using these these procedures when have been able to determine the allowable operating pressure:

Allowable Pressure Calculation

Torispherical Head

Symbol	Input	Unit	Description
S	15000	psi	Allowable Stress
t	0.423	in	Thickness of Head
L	30.5	in	Inside Spherical Radius
E	0.91		Weld Joint Efficiency
P	221,058.5	psi	Internal Pressure

$$P = \frac{SEt}{0.885L + 0.1t}$$

Cylindrical Shell

Symbol	Input	Unit	Description
S	15000	psi	Allowable Stress
t	0.356	in	Average Thickness
R	30.5	in	Shell/ Head Inside Radius
E	0.88		Weld Joint Efficiency
P	153,000.63	psi	Internal Pressure

$$P = \frac{SEt}{R + 0.6t}$$

In Depth CO. Exterior Inspection Report

Foundation Condition

Foundation Exposed? Y N

Concrete Condition:

- De-lamination N/A
- Deterioration N/A
- Pop-outs Minor
- Voids N/A
- Unevenness N/A
- Cracking N/A
- Growth Minor
- Staining Minor
- Exposed Aggregate Minor
- Exposed Reinforcement N/A
- Spalling N/A

Type: None
Type: Mildew
Type: Mildew

Seams/Welds Condition: Excellent to Good

Anchor Bolts Present? Y N

Anchor Bolts Loose? Y N N/A

Corrosion on Anchor Bolts:

- None/NA
- Uniform Surface Corrosion N/A
- Concentrated Cell Corrosion N/A
- Rust Noduling/Pitting N/A
- Galvanic N/A
- De-alloying N/A
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Overall Condition: Excellent to Good

Additional Notes: - Steel saddles w/ concrete foundation structure.
- Sags & Runs noted (concrete unevenly coated)



Walls / Roof Condition

Coating Condition:

- Dents? Y N
- Holes? Y N
- Signs of Leaking? Y N
- Oxidation None, or < 0.01%
- De-lamination N/A
- Staining N/A
- Checking N/A
- Chalking Minor
- Blistering N/A
- Cracking N/A
- Growth N/A
- Pinholes N/A
- Sags/Runs Minor

Type: None
Type: None
Type: None

Seams/Welds Condition: Excellent

Corrosion:

- None/NA
- Uniform Surface Corrosion N/A
- Concentrated Cell Corrosion N/A
- Rust Noduling/Pitting N/A
- Galvanic N/A
- De-alloying N/A
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Overall Condition: Excellent to Good

Additional Notes: - Minimal discrepancies to be noted



Overflow Structure Condition

Coating Condition:

- Oxidation Few Isolated: < 0.1%
- De-lamination N/A
- Staining N/A
- Checking N/A
- Chalking N/A
- Blistering N/A Type: None
- Cracking N/A Type: None
- Growth N/A Type: None
- Pinholes N/A
- Saggs/Runs N/A

Corrosion:

- None/NA
- Uniform Surface Corrosion N/A
- Concentrated Cell Corrosion N/A
- Rust Noduling/Pitting N/A
- Galvanic N/A
- De-alloying N/A
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Depth: N/A

Seams/Welds Condition: N/A

Stand Off Supports Condition: N/A

Discharge Opening:

- End Cap Sealed Properly? Y N N/A
- Duckbill Valve Sealed Properly? Y N N/A
- Flapper Valve Sealed Properly? Y N N/A
- Screen 24 Mesh? Y N If no, size: N/A
- Directly Connected to Sewer or Storm Drain? Y N
- Any Obstructions of Water Flow? Y N
- Height Above Ground for Discharge: N/A
- Is Discharge Spot Adequate? Y N

Overall Condition: N/A

Additional Notes: - None Noted

N/A

Access Hatch / Manway Condition

Coating Condition:

- Oxidation Few Isolated: < 0.1%
- De-lamination Extensive: < 1%
- Staining Minor
- Checking N/A
- Chalking Minor Type: None
- Blistering N/A Type: None
- Cracking N/A Type: None
- Growth N/A Type: None
- Pinholes N/A
- Saggs/Runs Minor

Seam/Welds Condition: Excellent to Good

Corrosion:

- None/NA
- Uniform Surface Corrosion Few Isolated: < 0.1%
- Concentrated Cell Corrosion Few Isolated: < 0.1%
- Rust Noduling/Pitting N/A Depth: None
- Galvanic N/A
- De-alloying N/A
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Overall Condition: Excellent to Good

Additional Notes: - New gasket installed.
 - Corrosive staining noted from plaque
 - Pressurized hatch w/ bolted saddle brackets



Vent Condition

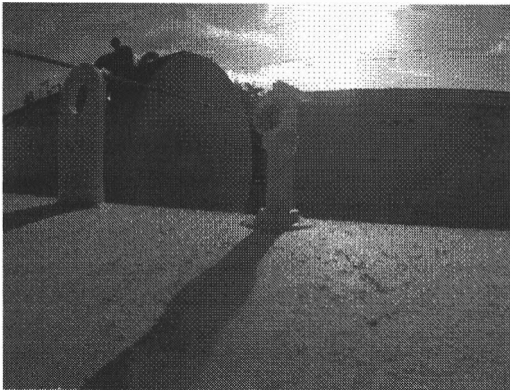
Vent Type:

- Downturned:**
 - Vent at least 24" above roof? Y N N/A
 - If no, what is height from roof? N/A
 - Non-downturned:**
 - Solid cover to bottom of screen? Y N N/A
 - Screen at least 8" above roof? Y N N/A
 - Height of start of screen from roof: N/A
- Vent cap condition: N/A
- Is the vent covered with #24 mesh screening? Y N
- If no, what size is mesh screening? N/A
- Vent screen condition: N/A
- Are all openings sealed? Y N N/A

Coating Condition:

- Oxidation N/A
- De-lamination N/A
- Staining N/A
- Checking N/A
- Chalking Minor
- Blistering N/A
- Cracking N/A
- Growth N/A
- Pinholes N/A
- Saggs/Runs Minor

Type: None
 Type: None
 Type: None



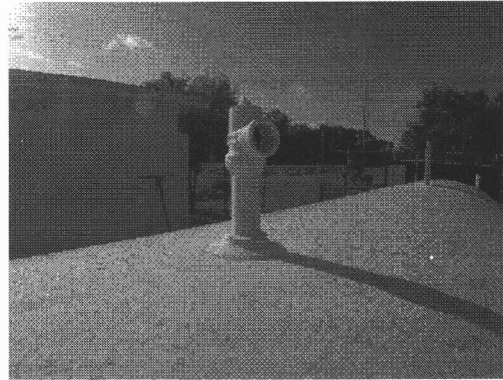
Corrosion:

- None/NA
- Uniform Surface Corrosion N/A
- Concentrated Cell Corrosion N/A
- Rust Noduling/Pitting N/A
- Galvanic N/A
- De-alloying N/A
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Depth: N/A

Overall Condition: Excellent

- Additional Notes:**
- Pressure relief valve as acting vent
 - No obstruction or damage noted
 - Penetrates through tank roof
 - Valve operating properly



In Depth CO. Interior Inspection Report

Inlet Condition

Common Inlet/Outlet? Y N Location: N/A

If No:

Inlet Location: North End (bow)

Coating Condition:

Oxidation None, or < 0.01%

De-lamination N/A

Staining Moderate

Checking N/A

Chalking N/A

Blistering N/A

Type: None

Cracking N/A

Type: None

Growth N/A

Type: None

Pinholes N/A

Saggs/Runs Minor

Seams/Welds Condition: Excellent

Corrosion:

None/NA

Uniform Surface Corrosion Few Isolated: < 0.1%

Concentrated Cell Corrosion N/A

Rust Noduling/Pitting N/A

Depth: None

Galvanic N/A

De-alloying N/A

Intergranular N/A

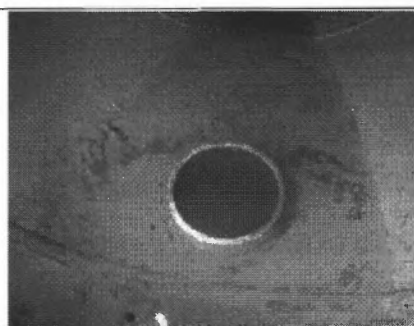
Stress Corrosion Cracking N/A

Erosion Corrosion Few Isolated: < 0.1%

Overall Condition: Excellent to Good

Additional Notes:

- Penetrates through tank floor with 2" riser
- Minimal discrepancies to be noted
- Staining localized internally & on riser



Outlet Condition

Outlet Location: South End (stern)

Coating Condition: N/A

Oxidation Extensive: < 1%

De-lamination N/A

Staining Minor

Checking N/A

Chalking N/A

Blistering N/A

Type: None

Cracking N/A

Type: None

Growth N/A

Type: None

Pinholes N/A

Saggs/Runs Minor

Seams/Welds Condition: Excellent to Good

Corrosion:

None/NA

Uniform Surface Corrosion Few Isolated: < 0.3%

Concentrated Cell Corrosion Few Isolated: < 0.3%

Rust Noduling/Pitting Few Isolated: < 0.1% Depth: None

Galvanic N/A

De-alloying N/A

Intergranular N/A

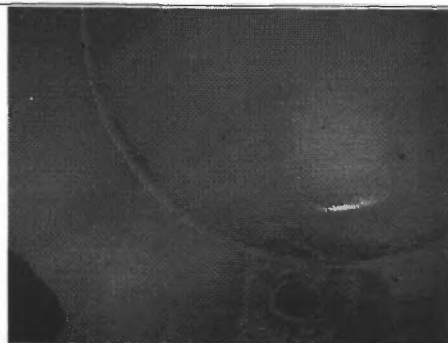
Stress Corrosion Cracking N/A

Erosion Corrosion Extensive: < 1%

Overall Condition: Good

Additional Notes:

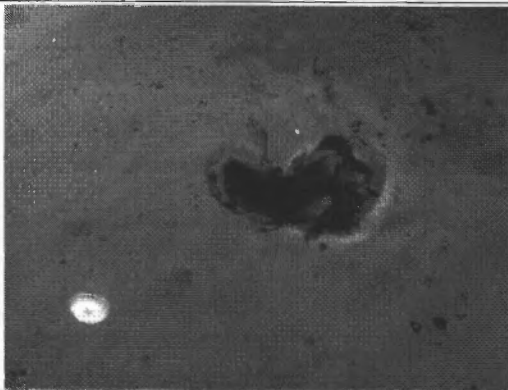
- Incoming flow of water noted (back-flow noted)
- Penetrates flush through tank floor
- Corrosive & sediment staining noted around penetration



Drain Condition

Drain Location: Center Floor
 Coating Condition:
 Oxidation Extensive: < 1%
 De-lamination Extensive: < 1%
 Staining Minor
 Checking Minor
 Chalking N/A
 Blistering Minor Type: Micro
 Cracking N/A Type: None
 Growth N/A Type: None
 Pinholes N/A
 Saggs/Runs N/A
 Seams/Welds Condition: Good

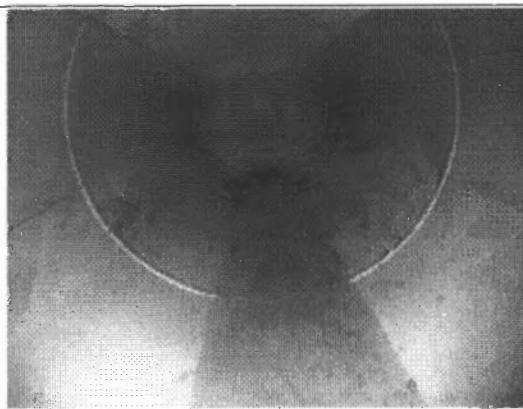
Corrosion:
 None/NA
 Uniform Surface Corrosion Few Isolated: < 0.3%
 Concentrated Cell Corrosion Extensive: < 1%
 Rust Noduling/Pitting Extensive: < 1% Depth: 1/32"
 Galvanic N/A
 De-alloying N/A
 Intergranular N/A
 Stress Corrosion Cracking N/A
 Erosion Corrosion Extensive: < 1%
 Overall Condition: Good
 Additional Notes:
 - Penetrates through tank floor
 - No obstruction, properly functioning
 - Minor corrosive staining & blisters noted throughout surrounding floor



Floor Condition

Coating Condition:
 Oxidation To Extent of 3%
 De-lamination To Extent of 3%
 Staining Moderate
 Checking Minor
 Chalking N/A
 Blistering Moderate Type: Micro
 Cracking N/A Type: None
 Growth N/A Type: None
 Pinholes N/A
 Saggs/Runs Minor
 Seams/Welds Condition: Excellent to Good
 Sediment depth: 1.5" inches
 Any irregularities or structural deficiencies? Y N
 Description: None

Corrosion:
 None/NA
 Uniform Surface Corrosion Extensive: < 1%
 Concentrated Cell Corrosion None, or < 0.01%
 Rust Noduling/Pitting Few Isolated: < 0.3% Depth: 1/32"
 Galvanic N/A
 De-alloying N/A
 Intergranular N/A
 Stress Corrosion Cracking N/A
 Erosion Corrosion N/A
 Overall Condition: Good
 Additional Notes:
 - Moderate staining noted throughout
 - Blistering present throughout middle floor
 - Discrepancies constant throughout tank floor



Walls / Roof Condition

Coating Condition:

- Oxidation To Extent of 10%
- De-lamination Extensive: < 1%
- Staining Moderate
- Checking Minor
- Chalking N/A
- Blistering Minor Type: Micro
- Cracking N/A Type: None
- Growth N/A Type: None
- Pinholes N/A
- Saggs/Runs Minor

Seams/Welds Condition: Good

Is biofilm present? Y N

Any irregularities or structural deficiencies? Y N

Description: None

Corrosion:

- None/NA
- Uniform Surface Corrosion To Extent of 10%
- Concentrated Cell Corrosion To Extent of 3%
- Rust Noduling/Pitting Extensive: < 1% Depth: None
- Galvanic N/A
- De-alloying Minute: < 0.03%
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Overall Condition: Good to Fair

Additional Notes:

- Water line staining present
- Moderate surface corrosion & oxidation throughout
- Sediment staining noted below water line
- Corrosive staining noted above water line



Manway / Access Hatch Condition

Manway Location(s): NorthEnd (bow)

Coating Condition:

- Oxidation Extensive: < 1%
- De-lamination Extensive: < 1%
- Staining Minor
- Checking N/A
- Chalking N/A
- Blistering N/A Type: None
- Cracking N/A Type: None
- Growth N/A Type: None
- Pinholes N/A
- Saggs/Runs Minor

Seams/Welds Condition: Excellent to Good

Corrosion:

- None/NA
- Uniform Surface Corrosion Few Isolated: < 0.1%
- Concentrated Cell Corrosion Few Isolated: < 0.3%
- Rust Noduling/Pitting N/A Depth: None
- Galvanic N/A
- De-alloying N/A
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Overall Condition: Excellent to Good

Additional Notes:

- Penetrates through lower tank wall
- Oval shaped approx 18" diameter



Overflow Condition

Overflow Location: N/A

Coating Condition: N/A

- Oxidation N/A
- De-lamination N/A
- Staining N/A
- Checking N/A
- Chalking N/A
- Blistering N/A
- Cracking N/A
- Growth N/A
- Pinholes N/A
- Saggs/Runs N/A

Type: N/A

Type: N/A

Type: N/A

Seams/Welds Condition: N/A

Is anything blocking the flow? Y N

Description: None

Corrosion:

- None/NA
- Uniform Surface Corrosion N/A
- Concentrated Cell Corrosion N/A
- Rust Noduling/Pitting N/A
- Galvanic N/A
- De-alloying N/A
- Intergranular N/A
- Stress Corrosion Cracking N/A
- Erosion Corrosion N/A

Depth: N/A

Overall Condition: N/A

Additional Notes: None Noted

N/A

Additional Pictures



Int. Floor



Internal Overall



Internal Roof



Foundation / Drain

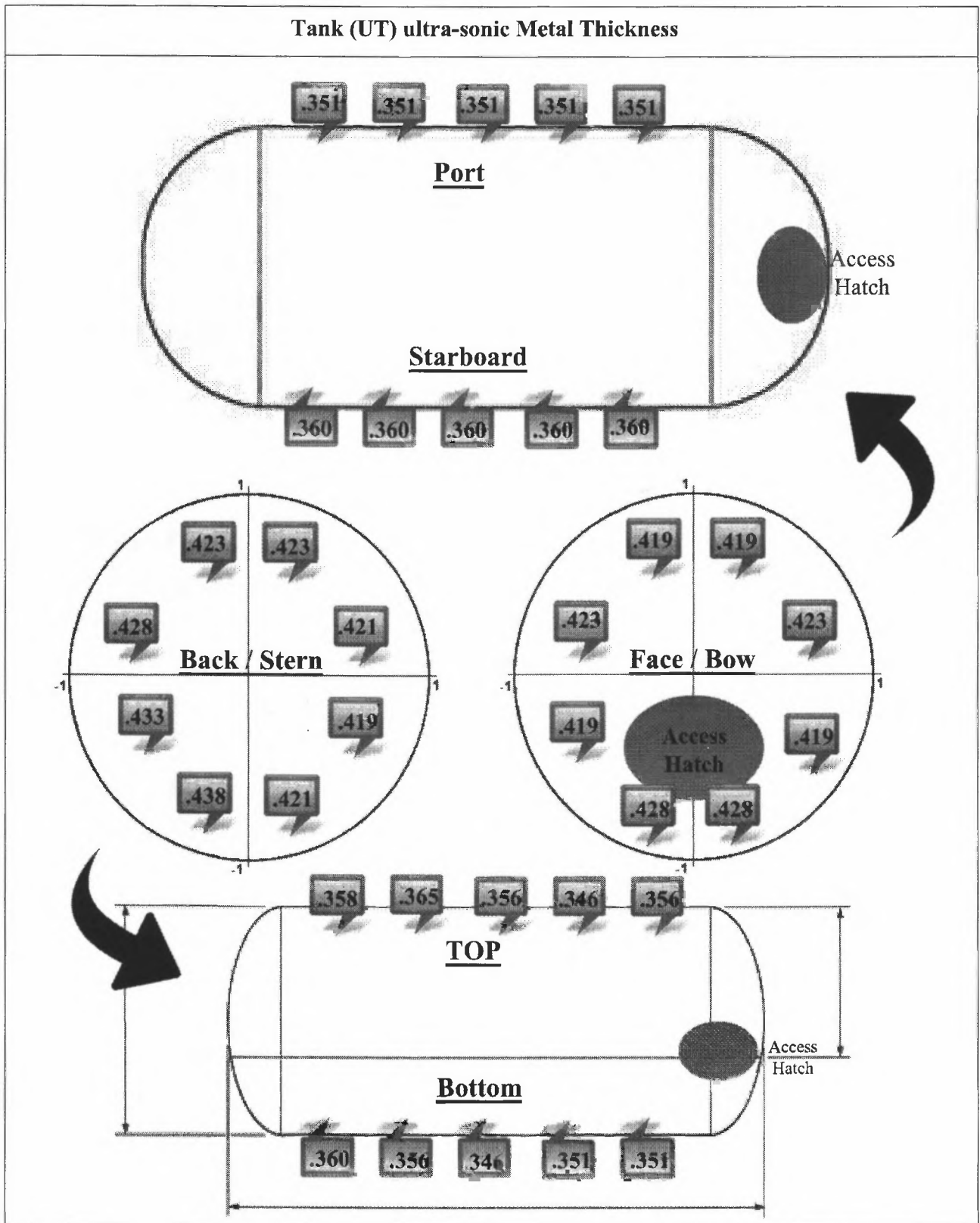


Plaque



Stern / Wall

All Ratings specified below are a collective average of various spot measurements all taken in inches (in)



Tank Dimensions: 16' 'ft Circumference x 14' 'ft Length



In Depth Inc.
800 Belle Terre Pkwy Unit 200 #122
Palm Coast, FL 32164
(386) 202-2771

In-Depth Inspection Report for

Neighborhood Utilities Inc.

Jacksonville, FL



East

Water Storage Tank

40,000 gallon

Steel Welded On-Grade

Constructed Year: Unknown

Inspection Date: 7/27/18

Person Completing Report: Z.R.

Supervisor: Z.R.

Team: Alpha

Engineer: R.N.



Scope of Work:

Our Dive team has preformed and completed a full in water clean/sediment removal to the previously referenced tank. Sediment depths, ranging from 4" - 14", were removed from the tanks floor and/or walls. Upon the completion of the cleaning services, our surveying crew and inspection team has taken this structure under full evaluation (internally & externally) to prepared an "In Depth" visual inspection (NDT) of this referenced tank and its fixtures. The evaluation taken on the construction of this tank, complies with all related ANSI/AWWA codes. All NDT (non-destructive testing) have been performed up to code, in order to identify the structural integrity as well as the coating condition of this structure. All operable plumbing components have been inspected and evaluated within this report. All evaluations done, where performed in according to American Water Works Association (AWWA), NACE, SSPC, ASNT, ACI and AWS standards under the guidance of OSHA, DEP, and EPA regulations. Utilizing the necessary and proper procedures, the tank has been left internal in sanitary condition. Elements found prior to clean as well as details of the inspection and its findings have been included within the report below.

Summary of the Inspection:

Exterior Inspection

1. Easy access to tank
2. Secured perimeter
3. Locked access hatch
4. Aeration system penetrates through roof on south end of tank
5. Aerator causing heavy signs of corrosion throughout its adjacent tank walls
6. Heavy corrosion & metal loss noted on access hatch and riser (causing staining)

Interior Inspection

1. Excessive silt / Iron sediment (up to 14") removed from central tank floor
2. Moderate - Heavy sediment staining noted throughout below waterline
3. Corrosion / Oxidation noted above waterline & throughout tank roof
4. No internal ladder
5. Ambient light visible at multiple location throughout tank roof

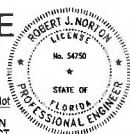
Recommendations:

1. Routine Clean & Inspect every 2 years per AWWA recommendations
2. Seal exterior openings on roof to prevent contaminates
3. Repair areas of metal loss on tank walls & re-coat surfaces (interior & exterior)
4. Replace / repair access hatch and riser

Engineer Seal:

Robert J. Norton PE
FL Reg. No. 54750

This Item Has Been Electronically Signed And Sealed By:
ROBERT J. NORTON PE PE, REG. 54750 Using A Digital
Signature And Date. Printed Copies Of This Document Are Not
Considered Signed And Sealed And All Signatures Must Be
Verified On Any Electronic Copies. THIS DRAWING, DESIGN,
CONCEPT SPECIFICATION AND ASSOCIATED CONTRACT
DOCUMENTATION ARE THE PROPERTY OF ROBERT J. NORTON PE AND MAY NOT
BE USED FOR ANY PURPOSE UNTIL FULL PAYMENT IS RECEIVED. THEY ARE
FURNISHED AS CONFIDENTIAL WITH AN EXPRESSED UNDERSTANDING THAT THEY
WILL NOT BE DUPLICATED IN ANY MANNER, USED FOR MANUFACTURE, SOLD,
TRANSFERRED, NOR USED TO THE DETRIMENT OF ROBERT J. NORTON PE OR HIS
REPRESENTATIVES WITHOUT WRITTEN PERMISSION. THE RECIPIENT FURTHER
AGREES NOT TO DISCLOSE THESE CONTENTS TO ANY OTHER PARTY, EXCEPT FOR
THE SPECIFIC PURPOSES FOR WHICH THIS SET WAS RELEASED. PAST DUE
INVOICES WILL BE CHARGED ON PAST DUE INVOICES AT THE MAXIMUM ALLOWED
BY THE STATE OF FLORIDA. MONTHLY ATTORNEY'S FEES WILL BE FULLY
REIMBURSED, IF LEGAL PROCEEDINGS ARE REQUIRED TO SECURE PAYMENT. ALL
WORK MUST BE COMPLETED BY LICENSED AND INSURED, TRADE APPROPRIATE
CONTRACTORS.



Digitally signed by Robert
Norton

Date: 2018.08.13 11:39:51

-04'00'

Key

- Excellent – Like new, no repairs needed
- Good – Cosmetic problems, repair if client wants
- Fair – Minor problems, repairs needed
- Poor – Major problems, fix now



Tank Evaluation

Tank Security

Is the tank in a secured, gated area? Y N

Are the access gates locked? Y N

Is the tank equipped with a vandal guard on the access ladder(s)? Y N N/A

Is the vandal guard locked? Y N N/A

Are all of the access hatches locked? Y N

Are all of the vents/discharge openings properly covered? Y N

Does the tank exterior show any signs of trespass? Y N

Is the area surrounding the tank well lit? Y N

Are there any additional security features? Y N

Description: N/A

Additional Notes:

- Access Hatch & Hinge showing complete signs of failure
- Screens on tank vents have failed (unenclosed)

Tank Condition

Does the tank appear to be structurally sound? Y N

Are there any unprotected openings in the tank (breaches, leaks, daylight, etc.) Y N

When viewed from inside the tank, is there visible daylight around the hatches, vents, joints or other fixtures? Y N

Description: Aerator system & heavily corroded areas around access hatch.

Tank Cleaning

Sediment depth before cleaning: 4" - 14" Sediment type: Silt / Iron Type

List any objects found inside the tank during cleaning that may have introduced contamination:

None noted



Wall Panel Condition

Wall / Coating Condition:

- Dents? Y N
- Holes? Y N
- Signs of Leaking Y N
- Oxidation: To Extent of 3%
- D-lamination: Extensive: < 1%
- Staining: Minor Type: Mildew
- Blistering: N/A Type: None
- Cracking: N/A Type: None
- Chalking: Moderate
- Checking: N/A
- Pinholes: N/A
- Sags and Runs: N/A

Seams/Welds Condition: Good to Fair

Corrosion:

- None/NA
- Uniform Surface Corrosion: Approx. 17%
- Concentrated Cell Corrosion: Few Isolated: < 0.1% Depth: 1/16"
- Rust Noduling/Pitting: Extensive: < 1%
- Galvanic: N/A
- De-alloying: Few Isolated: < 0.3%
- Intergranular: Extensive: < 1%
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: Fair

- Additional Notes:**
- localized discrepancies noted
 - corrosive staining present (south end)
 - signs of server coating failure present (south end)
 - corrosion localized south side below aerator



Access Ladder Condition

Ladder Type: Steel Welded

- OSHA Adherence? Y N
- Vandal Guard Present? Y N
- Locked? Y N N/A
- Safety Climb Type: N/A
- OSHA Adherence? Y N

Coating Condition:

- Oxidation: Minute: < 0.03%
- D-lamination: N/A
- Staining: N/A Type: None
- Blistering: N/A Type: None
- Cracking: N/A Type: None
- Chalking: Minor
- Checking: N/A
- Pinholes: N/A
- Sags and Runs: Minor

Seams/Welds Condition: Excellent to Good

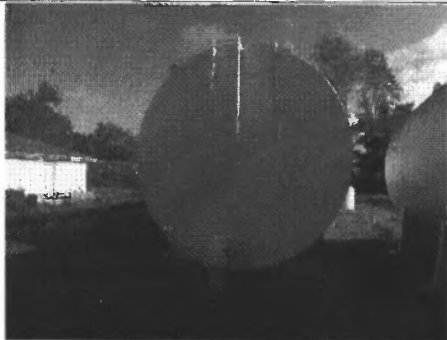
Corrosion:

- None/NA
- Uniform Surface Corrosion: None, or < 0.01%
- Concentrated Cell Corrosion: None, or < 0.01%
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Standoff Supports Condition: Excellent to Good

Overall Condition: Excellent to Good

- Additional Notes:**
- minor signs of moss & mildew growth
 - no hand rails noted
 - minor discrepancies to be noted



Foundation Condition

Foundation Exposed? Y N
 Foundation Coated? Y N

Concrete Condition:

- De-lamination: Moderate
- Deterioration: N/A
- Pop-outs: Minor
- Voids: N/A
- Unevenness: N/A
- Cracking: Minor Type: Hairline
- Growth: N/A Type: None
- Staining: Minor Type: Mildew
- Exposed Aggregate: Minor
- Exposed Reinforcement: N/A
- Spalling: Minor

Seams/Welds Condition: Excellent to Good

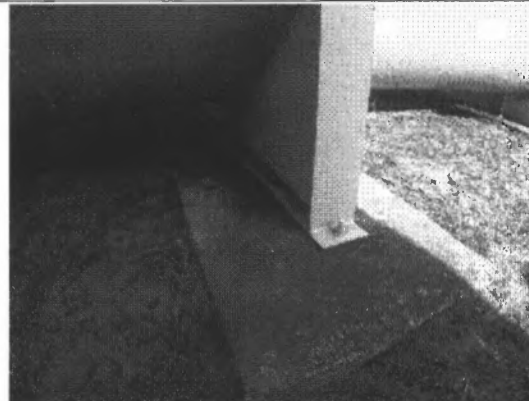
Anchor Bolts Present? Y N
 Anchor Bolts Loose? Y N N/A

Corrosion on Anchor Bolts:

- None/NA
- Uniform Surface Corrosion: Extensive: < 1%
- Concentrated Cell Corrosion: Extensive: < 1%
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: Excellent to Good

Additional Notes:
 - concrete footing coated with steel saddles
 - 6 saddles foundations
 - mildew staining & bug holing present



Float Level Indicator Condition

Pulley Condition: N/A
 Attached Properly? Y N

Cable Condition: N/A
 Attached Properly? Y N

Overall Hardware Condition: N/A

Hardware Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Marker Condition: N/A
 Attached & Accurate? Y N

Marker Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: N/A

Additional Notes: * None noted *

N/A



Roof Condition

Roof Type: Pitched
 Dents/Low Spots? Y N
 Holes? Y N
 Signs of Day Light? Y N

Coating Condition:

- Oxidation: To Extent of 3% Type: Mildew
- D-lamination: To Extent of 3% Type: None
- Staining: Minor Type: None
- Blistering: N/A
- Cracking: N/A
- Chalking: Minor
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Seams/Welds Condition: Excellent to Good

Corrosion:

- None/NA
- Uniform Surface Corrosion: To Extent of 10%
- Concentrated Cell Corrosion: To Extent of 3% Depth: N/A
- Rust Noduling/Pitting: Few Isolated: < 0.3%
- Galvanic: N/A
- De-alloying: Minute: < 0.03%
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Cathodic Protection Plates Present? Y N

Sealed Edges: Y N N/A

Loose Plates? Y N N/A

Missing Plates? Y N N/A

Overall Condition: Good to Fair

Additional Notes: - aerator located at south end penetrating through roof
 - oxidation / corrosion near aeration system
 - dcalloying present around hatch & acrator



Vent Condition

Vent Type:

Downturn: Y N N/A

Vent cap condition: Good to Fair

Is the vent covered with screening? Y N

Type: Wire mesh

Vent screen condition: Poor

Are all openings sealed? Y N N/A

Coating Condition:

- Oxidation: N/A
- D-lamination: Few Isolated: < 0.3%
- Staining: Minor Type: Mildew
- Blistering: N/A Type: None
- Cracking: N/A Type: None
- Chalking: Minor
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: Minor

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: None, or < 0.01% Depth: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Seams/Welds Condition: Good

Overall Condition: Good

Additional Notes: - screen broken / missing
 - moss growth present
 - "J" tube style vent
 - multi functioning as overflow



Access Hatch Condition

Hatch Type: Square
 Hatch Size: 24" x 24"
 Riser Height: 4-18"
 Hatch Locked? Y N
 Hinge Condition: Poor
 Gasket Present & Intact? Y N
 Does hatch have shoe box lid? Y N
 Dents/Low Spots/ Holes? Y N
 Signs of Day Light? Y N
Coating Condition:
 Oxidation: Approx. 50%
 D-lamination: To Extent of 10%
 Staining: Heavy Type: Corrosive
 Blistering: N/A Type: None
 Cracking: N/A Type: None
 Chalking: Minor
 Checking: N/A
 Pinholes: Minor
 Saggs and Runs: N/A

Corrosion:
 None/NA
 Uniform Surface Corrosion: Approx. 33%
 Concentrated Cell Corrosion: Approx. 50%
 Rust Noduling/Pitting: Extensive: < 1% Depth: 1/4"
 Galvanic: N/A
 De-alloying: To Extent of 10%
 Intergranular: Approx. 17%
 Stress Corrosion Cracking: N/A
 Erosion Corrosion: N/A
Seams/Welds Condition: Poor
 Insects, Dirt or Debris Present Under Hatch? Y N
 Any irregularities or structural deficiencies? Y N
 Description: Metal loss in riser
Overall Condition: Poor
Additional Notes:
 complete hinge failure noted
 - no gasket present
 - hatch not sealed properly
 - heavy metal deterioration



Manway Condition

Coating Condition:
 Oxidation: N/A
 D-lamination: N/A
 Staining: N/A Type: None
 Blistering: N/A Type: None
 Cracking: N/A Type: None
 Chalking: N/A
 Checking: N/A
 Pinholes: N/A
 Saggs and Runs: N/A
 Davit Arm Condition: N/A
 Gasket Condition: N/A
 Seam/Welds Condition: N/A

Corrosion:
 None/NA
 Uniform Surface Corrosion: N/A
 Concentrated Cell Corrosion: N/A
 Rust Noduling/Pitting: N/A Depth: N/A
 Galvanic: N/A
 De-alloying: N/A
 Intergranular: N/A
 Stress Corrosion Cracking: N/A
 Erosion Corrosion: N/A
Overall Condition: N/A
Additional Notes: *None Noted*

N/A



Overflow Structure Condition

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: N/A
- Blistering: N/A
- Cracking: N/A
- Chalking: N/A
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: None
 Type: None
 Type: None

Corrosion:

- None/N/A
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Seams/Welds Condition: N/A

Stand Off Supports Condition: N/A

Discharge Opening:

- End Cap Sealed Properly? Y N N/A
- Duckbill Valve Sealed Properly? Y N N/A
- Flapper Valve Sealed Properly? Y N N/A
- Screen 24 Mesh? Y N If no, size: N/A
- Directly Connected to Sewer or Storm Drain? Y N
- Any Obstructions of Water Flow? Y N
- Height Above Ground for Discharge: N/A
- Is Discharge Spot Adequate? Y N

Overall Condition: N/A

Additional Notes: * None Noted*
 - Vent multi-functioning as overflow

N/A



In Depth CO. Interior Inspection Report

Roof Condition

Coating Condition:

- | | |
|---|-----------------|
| <input checked="" type="checkbox"/> Oxidation: Approx. 33% | |
| <input checked="" type="checkbox"/> D-lamination: To Extent of 3% | |
| <input checked="" type="checkbox"/> Staining: Moderate | Type: Corrosive |
| <input type="checkbox"/> Blistering: N/A | Type: None |
| <input type="checkbox"/> Cracking: N/A | Type: None |
| <input checked="" type="checkbox"/> Chalking: Moderate | |
| <input type="checkbox"/> Checking: N/A | |
| <input type="checkbox"/> Pinholes: N/A | |
| <input type="checkbox"/> Sags and Runs: N/A | |

Seams/Welds Condition: Good

 Any irregularities or structural deficiencies? Y N

Description: None

Corrosion:

- | | |
|--|--------------|
| <input type="checkbox"/> None/NA | |
| <input checked="" type="checkbox"/> Uniform Surface Corrosion: To Extent of 10% | |
| <input checked="" type="checkbox"/> Concentrated Cell Corrosion: To Extent of 3% | |
| <input checked="" type="checkbox"/> Rust Noduling/Pitting: Extensive: < 1% | Depth: 1/16" |
| <input type="checkbox"/> Galvanic: N/A | |
| <input type="checkbox"/> De-alloying: N/A | |
| <input checked="" type="checkbox"/> Intergranular: To Extent of 3% | |
| <input type="checkbox"/> Stress Corrosion Cracking: N/A | |
| <input type="checkbox"/> Erosion Corrosion: N/A | |

Overall Condition: Good to Fair

Additional Notes:

- heavy signs of corrosion noted in center roof
- ambient light from uncapped penetration noted
- heavy corrosive staining noted throughout
- oxidation and chalking present throughout



Ladder Condition

Ladder Location: 12:00

Safety Climb Type: N/A

Coating Condition:

- | | |
|---|------------|
| <input type="checkbox"/> Oxidation: N/A | |
| <input type="checkbox"/> D-lamination: N/A | |
| <input type="checkbox"/> Staining: N/A | Type: None |
| <input type="checkbox"/> Blistering: N/A | Type: None |
| <input type="checkbox"/> Cracking: N/A | Type: None |
| <input type="checkbox"/> Chalking: N/A | |
| <input type="checkbox"/> Checking: N/A | |
| <input type="checkbox"/> Pinholes: N/A | |
| <input type="checkbox"/> Sags and Runs: N/A | |

Seams/Welds Condition: N/A

Corrosion:

- | | |
|---|------------|
| <input type="checkbox"/> None/NA | |
| <input type="checkbox"/> Uniform Surface Corrosion: N/A | |
| <input type="checkbox"/> Concentrated Cell Corrosion: N/A | |
| <input type="checkbox"/> Rust Noduling/Pitting: N/A | Depth: N/A |
| <input type="checkbox"/> Galvanic: N/A | |
| <input type="checkbox"/> De-alloying: N/A | |
| <input type="checkbox"/> Intergranular: N/A | |
| <input type="checkbox"/> Stress Corrosion Cracking: N/A | |
| <input type="checkbox"/> Erosion Corrosion: N/A | |

Overall Condition: N/A

Additional Notes:

None Noted

N/A



Floor Condition

Coating Condition:

- Oxidation: None, or < 0.01%
- D-lamination: N/A
- Staining: Heavy Type: Sediment
- Blistering: Minor Type: Micro
- Cracking: N/A Type: None
- Chalking: Moderate
- Checking: N/A
- Pinholes: N/A
- Sags and Runs: Minor

Any identified signs of leaking? Y N

Seams/Welds Condition: Excellent to Good

Sediment depth: 4" -14"

Any irregularities or structural deficiencies? Y N

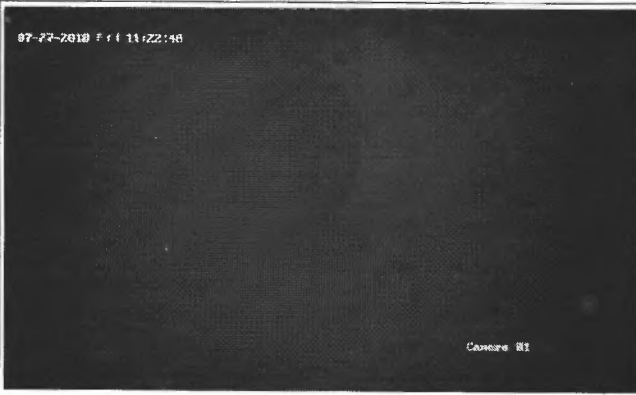
Description: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: Few Isolated: < 0.3%
- Concentrated Cell Corrosion: None, or < 0.01%
- Rust Noduling/Pitting: Few Isolated: < 0.1% Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: Excellent to Good

Additional Notes: - excessive sediment build up removed from floor
 - heavy staining noted throughout tank
 - minimal signs of corrosion noted below waterline
 - minor signs of micro blister present throughout



Drain Condition

Drain Location: North Floor

Drain Obstructed Y N

Coating Condition:

- Oxidation: To Extent of 3%
- D-lamination: N/A
- Staining: Heavy Type: Sediment
- Blistering: Minor Type: Micro
- Cracking: N/A Type: None
- Chalking: Moderate
- Checking: N/A
- Pinholes: N/A
- Sags and Runs: Minor

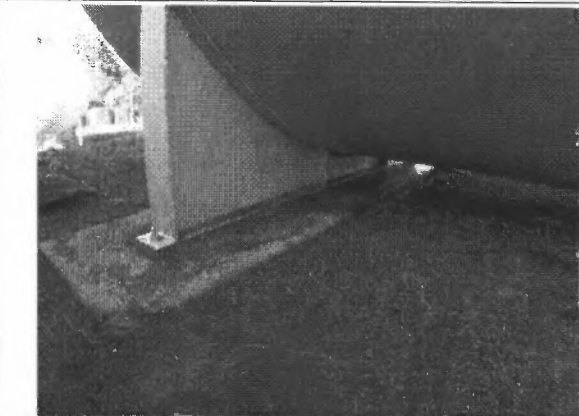
Seams/Welds Condition: Good

Corrosion:

- None/NA
- Uniform Surface Corrosion: Few Isolated: < 0.3%
- Concentrated Cell Corrosion: Minute: < 0.03%
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: To Extent of 3%

Overall Condition: Good

Additional Notes: - penetrates through floor on north side
 - micro blister & chalking noted
 - heavy sediment staining present throughout
 - minimal corrosion noted around penetration



Wall Panel Condition

Coating Condition:

- Oxidation: To Extent of 3%
- D-lamination: None, or < 0.01%
- Staining: Heavy Type: Sediment / Corrosive
- Blistering: N/A Type: None
- Cracking: N/A Type: None
- Chalking: Minor
- Checking: N/A
- Pinholes: N/A
- Sags and Runs: Minor

Seams/Welds Condition: Good

Is biofilm present? Y N

Any irregularities or structural deficiencies? Y N

Description: None

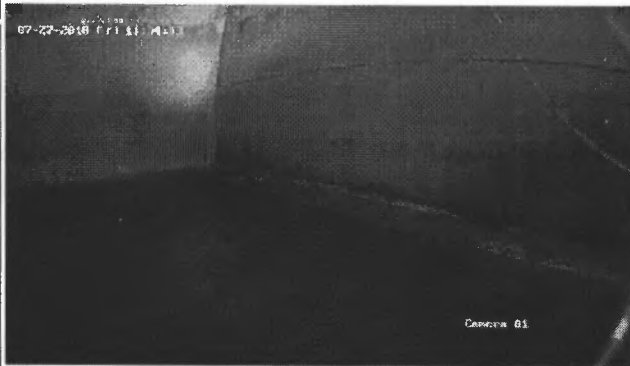
Corrosion:

- None/NA
- Uniform Surface Corrosion: Extensive: < 1%
- Concentrated Cell Corrosion: None, or < 0.01%
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: Good

Additional Notes:

- waterline staining noted through tank walls
- minimal signs of corrosion noted below waterline
- heavy staining & chalking present throughout
- oxidation & corrosive staining noted on upper walls
- concaved wall to roof seams



Float Level Indicator Condition

Float Location: N/A

Float Condition: N/A

Float Sealed? Y N

Guidelines Condition: N/A

Attached Properly? Y N

Cable Condition: N/A

Attached Properly? Y N

Hardware Condition: N/A

Coating Condition: N/A

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: N/A

Additional Notes: * None noted*

N/A



Inlet Condition

Common Inlet/Outlet? Y N

Location: South End Roof

Trash Rack Present? Y N

Coating Condition:

- Oxidation: Approx. 33%
- D-lamination: To Extent of 3%
- Staining: Heavy
- Blistering: Minor
- Cracking: N/A
- Chalking: Moderate
- Checking: Minor
- Pinholes: N/A
- Saggs and Runs: Minor

Type: Corrosive
Type: Micro
Type: None

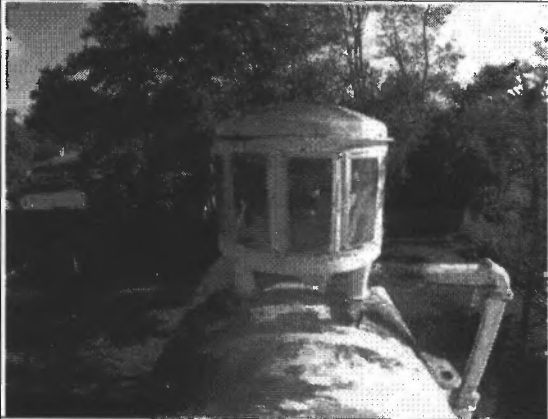
Seams/Welds Condition: Good to Fair

Corrosion:

- None/NA
- Uniform Surface Corrosion: Approx. 33%
- Concentrated Cell Corrosion: To Extent of 10% Depth: 1/16"
- Rust Noduling/Pitting: To Extent of 3%
- Galvanic: N/A
- De-alloying: To Extent of 10%
- Intergranular: Approx. 17%
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: Extensive: < 1%

Overall Condition: Good to Fair

Additional Notes: - aerator system penetrating though south end roof
- discrepancies noted throughout entire aeration system
- two inlet ports in roof from aerator
- cascading water system still functioning properly



Outlet Condition

Location: North Wall

Trash Rack Present? Y N

Coating Condition:

- Oxidation: To Extent of 10%
- D-lamination: Extensive: < 1%
- Staining: N/A
- Blistering: Minor
- Cracking: N/A
- Chalking: Heavy
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: Minor

Type: Sediment / Corrosive
Type: Micro
Type: None

Seams/Welds Condition: Good

Corrosion:

- None/NA
- Uniform Surface Corrosion: Approx. 17%
- Concentrated Cell Corrosion: To Extent of 10% Depth: 1/16"
- Rust Noduling/Pitting: To Extent of 3%
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: To Extent of 10%
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: To Extent of 3%

Overall Condition: Good

Additional Notes: - 90-degree penetration through north lower wall
- equipped w/ vortex plate
- heavy chalking & staining present throughout



Support Column Condition

Number of Columns: None

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: N/A
- Blistering: N/A
- Cracking: N/A
- Chalking: N/A
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: None

Type: None

Type: None

Seams/Welds Condition: N/A

Any irregularities or structural deficiencies? Y N

Description: N/A

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Overall Condition: N/A

Additional Notes: *None Noted*

N/A

Overflow Condition

Overflow Location: N/A

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: N/A
- Blistering: N/A
- Cracking: N/A
- Chalking: N/A
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: None

Type: None

Type: None

Seams/Welds Condition: N/A

Is anything blocking the flow? Y N

Description: N/A

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Overall Condition: N/A

Additional Notes: *None Noted*

N/A



Manway Condition

Manway Location: N/A

Coating Condition:

Oxidation: N/A

D-lamination: N/A

Staining: N/A

Type: None

Blistering: N/A

Type: None

Cracking: N/A

Type: None

Chalking: N/A

Checking: N/A

Pinholes: N/A

Saggs and Runs: N/A

Seal: Bolted Pressurized N/A

Gasket Condition: N/A

Seam/Welds Condition: N/A

Corrosion:

None/NA

Uniform Surface Corrosion: N/A

Concentrated Cell Corrosion: N/A

Rust Noduling/Pitting: N/A

Depth: N/A

Galvanic: N/A

De-alloying: N/A

Intergranular: N/A

Stress Corrosion Cracking: N/A

Erosion Corrosion: N/A

Overall Condition: N/A

Additional Notes: *None Noted*

N/A

Additional Pictures



Tank Overall



Corrosion on Wall from Aerator



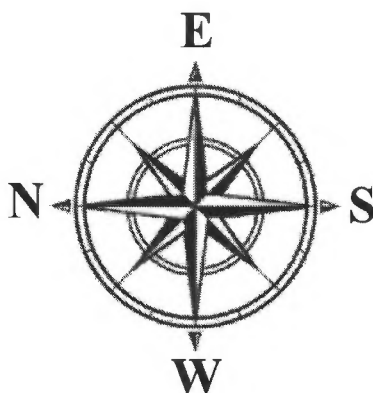
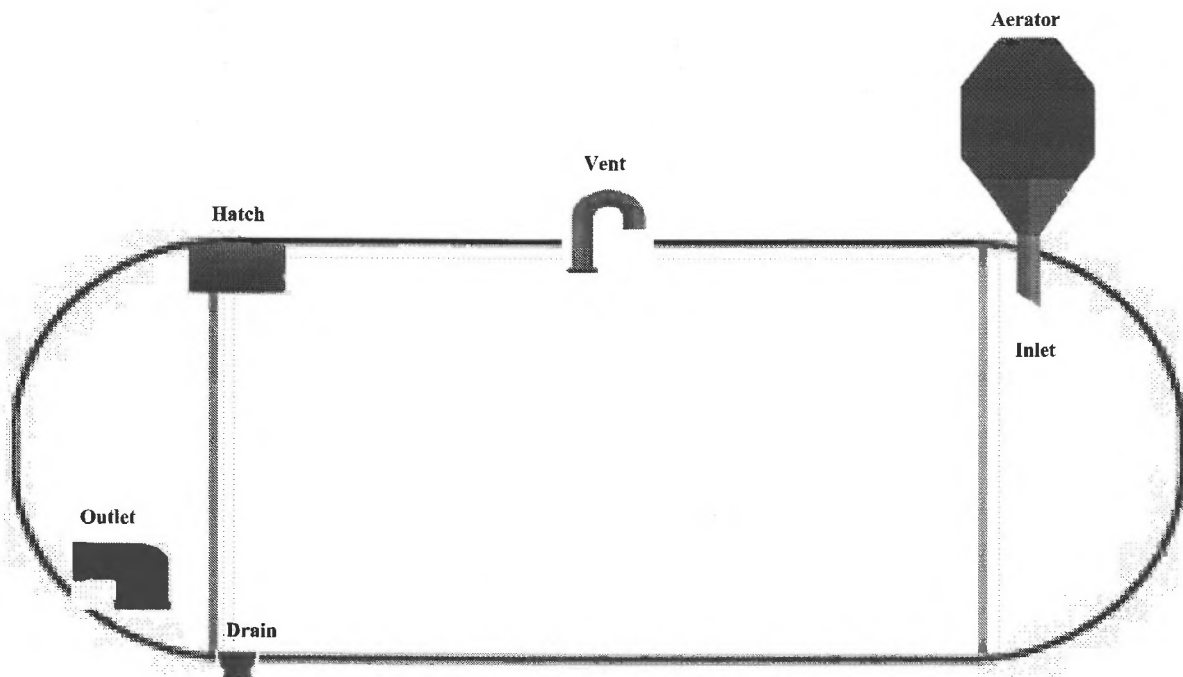
Int. Overall



Aerator Penetrations



Tank Layout





In Depth Inc.
800 Belle Terre Pkwy Unit 200 #122
Palm Coast, FL 32164
(386) 202-2771

In-Depth Inspection Report for

Neighborhood Utilities Inc.

Jacksonville, FL



West

Water Storage Tank

20,000 gallon

Steel Welded On-Grade

Constructed Year: Unknown

Inspection Date: 7/27/18

Person Completing Report: Z.R.

Supervisor: Z.R.

Team: Alpha

Engineer: R.N.



Scope of Work:

Our Dive team has preformed and completed a full in water clean/sediment removal to the previously referenced tank. Sediment depths, ranging from 2"-8", were removed from the tanks floor and/or walls. Upon the completion of the cleaning services, our surveying crew and inspection team has taken this structure under full evaluation (internally & externally) to prepared an "In Depth" visual inspection (NDT) of this referenced tank and its fixtures. The evaluation taken on the construction of this tank, complies with all related ANSI/AWWA codes. All NDT (non-destructive testing) have been performed up to code, in order to identify the structural integrity as well as the coating condition of this structure. All operable plumbing components have been inspected and evaluated within this report. All evaluations done, where performed in according to American Water Works Association (AWWA), NACE, SSPC, ASNT, ACI and AWS standards under the guidance of OSHA, DEP, and EPA regulations. Utilizing the necessary and proper procedures, the tank has been left internal in sanitary condition. Elements found prior to clean as well as details of the inspection and its findings have been included within the report below.

Summary of the Inspection:

Exterior Inspection

1. Easy access to tank
2. Secured perimeter
3. Unlocked access hatch
4. Complete failure of access hatch / hinges due to rust and de-alloying
5. Uncovered openings present on roof allowing bio life and / or growth inside tank
6. Clogged / Torn screens on Vent

Interior Inspection

1. 2"-8" of heavy iron type sediment removed during cleaning process
2. No access ladder present
3. Visible signs of daylight present due to unsealed openings on roof
4. Waterline staining present throughout roof and walls
5. Corrosion noted above waterline localized on weld seams primarily throughout tank roof

Recommendations:

1. Routine Clean & Inspect every 2 years per AWWA recommendations
2. Replace Vent screen
3. Repair access hatch / hinges
4. Seal exterior openings on roof to prevent contaminates
5. Schedule internal epoxy repairs to coating in areas with pitting & heavy d-lamination

Engineer Seal:

Robert J. Norton PE
FL Reg. No. 54750



This Item Has Been Electronically Signed And Sealed By
ROBERT J. NORTON, PE, FL REG. NO. 54750 USING A DIGITAL
SIGNATURE AND SEAL. ANY COPIES OF THIS DOCUMENT ARE NOT
CONSIDERED SIGNED AND SEALED UNTIL ALL SIGNATURES HAVE BEEN
VERIFIED BY ANY ELECTRONIC SIGNATURE VERIFICATION SERVICE.
CONCEPT SPECIFICATION AND ASSOCIATED CONTRACT
DOCUMENTATION ARE THE PROPERTY OF ROBERT J. NORTON, PE, AND MAY NOT
BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF ROBERT J. NORTON, PE. ANY UNAUTHORIZED USE OF THIS DOCUMENTATION IS PROHIBITED. THE USER AGREES NOT TO DISCLOSE THESE CONTENTS TO ANY OTHER PARTY, EXCEPT FOR THE SPECIFIC PURPOSES FOR WHICH THIS SET WAS RELEASED. PART DUE TO THE NATURE OF THE SERVICE PROVIDED, THE USER AGREES TO WAIVE ANY RIGHTS TO RECOVER ATTORNEY'S FEES AND COSTS OF LITIGATION. IF LEGAL PROCEEDINGS ARE REQUIRED TO SECURE PAYMENT, ALL WORK MUST BE COMPLETED BY LICENSEE AND INSURED. TRADE APPROPRIATE CONTRACTORS.

Digitally signed by Robert
Norton
Date: 2018.08.13 11:38:03
-04'00'

Key

- Excellent – Like new, no repairs needed
- Good – Cosmetic problems, repair if client wants
- Fair – Minor problems, repairs needed
- Poor – Major problems, fix now



Tank Evaluation

Tank Security

Is the tank in a secured, gated area? Y N

Are the access gates locked? Y N

Is the tank equipped with a vandal guard on the access ladder(s)? Y N N/A

Is the vandal guard locked? Y N N/A

Are all of the access hatches locked? Y N

Are all of the vents/discharge openings properly covered? Y N

Does the tank exterior show any signs of trespass? Y N

Is the area surrounding the tank well lit? Y N

Are there any additional security features? Y N

Description: N/A

Additional Notes:

- Access Hatch & Hinge showing complete signs of failure
- Screens on tank vents have failed (unenclosed)

Tank Condition

Does the tank appear to be structurally sound? Y N

Are there any unprotected openings in the tank (breaches, leaks, daylight, etc.) Y N

When viewed from inside the tank, is there visible daylight around the hatches, vents, joints or other fixtures? Y N

Description: Exposed opening on roof & heavily corroded areas around access hatch.

Tank Cleaning

Sediment depth before cleaning: 2"- 8" Sediment type: Silt / Iron Type

List any objects found inside the tank during cleaning that may have introduced contamination:

None noted



Wall Panel Condition

Wall / Coating Condition:

- Dents? Y N
 Holes? Y N
 Signs of Leaking Y N
 Oxidation: N/A
 D-lamination: N/A
 Staining: Moderate Type: Mildew
 Blistering: N/A Type: None
 Cracking: N/A Type: None
 Chalking: Minor
 Checking: N/A
 Pinholes: N/A
 Saggs and Runs: N/A

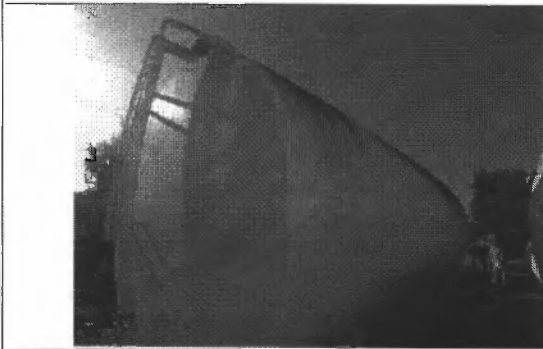
Corrosion:

- None/NA
 Uniform Surface Corrosion: Few Isolated: < 0.1%
 Concentrated Cell Corrosion: Few Isolated: < 0.1%
 Rust Noduling/Pitting: N/A Depth: N/A
 Galvanic: N/A
 De-alloying: N/A
 Intergranular: N/A
 Stress Corrosion Cracking: N/A
 Erosion Corrosion: N/A

Overall Condition: Good

Additional Notes:

- moss growth noted
- mildew staining present
- minor corrosion present in coating

Seams/Welds Condition: Excellent to Good


Access Ladder Condition

- Ladder Type: Steel Welded
 OSHA Adherence? Y N
 Vandal Guard Present? Y N
 Locked? Y N N/A
 Safety Climb Type: N/A
 OSHA Adherence? Y N

Coating Condition:

- Oxidation: None, or < 0.01%
 D-lamination: None, or < 0.01%
 Staining: Minor Type: Mildew
 Blistering: N/A Type: None
 Cracking: N/A Type: None
 Chalking: Minor
 Checking: N/A
 Pinholes: N/A
 Saggs and Runs: Minor

Seams/Welds Condition: Excellent to Good

Corrosion:

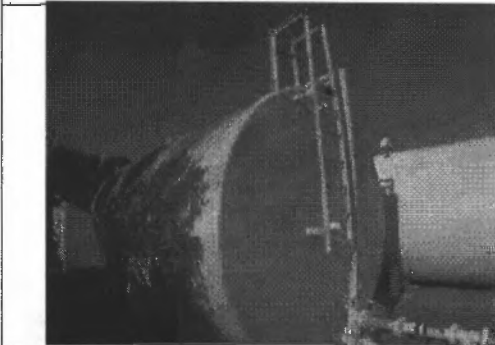
- None/NA
 Uniform Surface Corrosion: None, or < 0.01%
 Concentrated Cell Corrosion: None, or < 0.01%
 Rust Noduling/Pitting: N/A Depth: N/A
 Galvanic: N/A
 De-alloying: N/A
 Intergranular: N/A
 Stress Corrosion Cracking: N/A
 Erosion Corrosion: N/A

Standoff Supports Condition: Good

Overall Condition: Good

Additional Notes:

- no vandal guard present
- minimal discrepancies to be noted
- staining and moss growth noted throughout



Foundation Condition

Foundation Exposed? Y N
 Foundation Coated? Y N

Concrete Condition:

- De-lamination: Moderate
- Deterioration: N/A
- Pop-outs: Minor
- Voids: N/A
- Unevenness: N/A
- Cracking: N/A Type: None
- Growth: Minor Type: Moss
- Staining: Minor Type: Mildew
- Exposed Aggregate: N/A
- Exposed Reinforcement: N/A
- Spalling: Minor

Seams/Welds Condition: Excellent to Good

Anchor Bolts Present? Y N
 Anchor Bolts Loose? Y N N/A

Corrosion on Anchor Bolts:

- None/NA
- Uniform Surface Corrosion: Few Isolated: < 0.1%
- Concentrated Cell Corrosion: Minute: < 0.03%
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: Excellent to Good

Additional Notes:
 - concrete footing coated with steel saddles
 - 3 saddles foundations
 - moss growth & bug holing present



Float Level Indicator Condition

Pulley Condition: N/A
 Attached Properly? Y N

Cable Condition: N/A
 Attached Properly? Y N

Overall Hardware Condition: N/A

Hardware Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Marker Condition: N/A
 Attached & Accurate? Y N

Marker Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A Depth: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: N/A

Additional Notes: * None noted *

N/A



Roof Condition

Roof Type: Pitched
 Dents/Low Spots? Y N
 Holes? Y N
 Signs of Day Light? Y N

Coating Condition:

- Oxidation: To Extent of 3%
- D-lamination: Extensive: < 1%
- Staining: Moderate
- Blistering: N/A
- Cracking: N/A
- Chalking: Moderate
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: Mildew & Corrosive
 Type: None
 Type: None

Seams/Welds Condition: Excellent to Good

Corrosion:

- None/NA
- Uniform Surface Corrosion: Extensive: < 1%
- Concentrated Cell Corrosion: Extensive: < 1%
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: Few Isolated: < 0.1%
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Cathodic Protection Plates Present? Y N

Sealed Edges: Y N N/A
 Loose Plates? Y N N/A
 Missing Plates? Y N N/A

Overall Condition: Good

Additional Notes:

- unsealed openings on roof
- moderate mildew staining
- oxidation / corrosion present on all components



Vent Condition

Vent Type:

Downturn: Y N N/A

Vent cap condition: Good to Fair
 Is the vent covered with screening? Y N

Type: Wire mesh

Vent screen condition: Poor
 Are all openings sealed? Y N N/A

Coating Condition:

- Oxidation: None, or < 0.01%
- D-lamination: None, or < 0.01%
- Staining: Minor
- Blistering: N/A
- Cracking: N/A
- Chalking: Minor
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: Mildew
 Type: None
 Type: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: To Extent of 3%
- Concentrated Cell Corrosion: To Extent of 3%
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: Few Isolated: < 0.1%
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

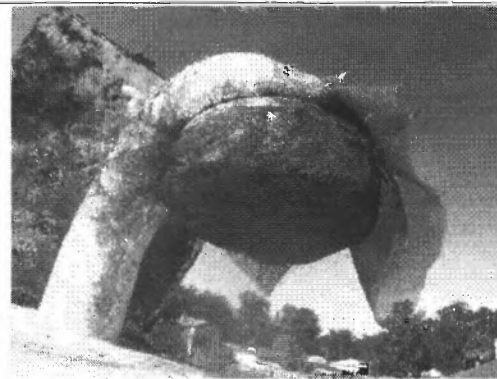
Depth: N/A

Seams/Welds Condition: Good to Fair

Overall Condition: Fair

Additional Notes:

- moss growth
- screen failed (clogged)
- insecurely attached
- multi functioning as overflow
- "J" tube style vent



Access Hatch Condition

Hatch Type: Square
 Hatch Size: 24" x 24"
 Riser Height: 4"
 Hatch Locked? Y N
 Hinge Condition: Poor
 Gasket Present & Intact? Y N
 Does hatch have shoe box lid? Y N
 Dents/Low Spots/ Holes? Y N
 Signs of Day Light? Y N

Coating Condition:

- Oxidation: Approx. 100%
- D-lamination: Approx. 17%
- Staining: Heavy
- Blistering: N/A
- Cracking: N/A
- Chalking: Minor
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: Corrosive
 Type: None
 Type: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: Approx. 100%
- Concentrated Cell Corrosion: Approx. 50%
- Rust Noduling/Pitting: Approx. 33%
- Galvanic: N/A
- De-alloying: Approx. 33%
- Intergranular: Approx. 17%
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: 1/4"

Seams/Welds Condition: Poor

Insects, Dirt or Debris Present Under Hatch? Y N
 Any irregularities or structural deficiencies? Y N
 Description: Metal loss in riser

Overall Condition: Poor

Additional Notes:

- complete hinge failure noted
- sever rust and oxidation noted throughout
- no gasket present
- hatch is disconnected from riser



Manway Condition

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: N/A
- Blistering: N/A
- Cracking: N/A
- Chalking: N/A
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: None
 Type: None
 Type: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Overall Condition: N/A

Additional Notes: *None Noted*

Davit Arm Condition: N/A

Gasket Condition: N/A

Seam/Welds Condition: N/A

N/A



Overflow Structure Condition

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: N/A
- Blistering: N/A
- Cracking: N/A
- Chalking: N/A
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: None
 Type: None
 Type: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Seams/Welds Condition: N/A

Stand Off Supports Condition: N/A

Discharge Opening:

- End Cap Sealed Properly? Y N N/A
- Duckbill Valve Sealed Properly? Y N N/A
- Flapper Valve Sealed Properly? Y N N/A
- Screen 24 Mesh? Y N If no, size: N/A
- Directly Connected to Sewer or Storm Drain? Y N
- Any Obstructions of Water Flow? Y N
- Height Above Ground for Discharge: N/A
- Is Discharge Spot Adequate? Y N

Overall Condition: N/A

Additional Notes: *None Noted*
 - Vent multi-functioning as overflow

N/A



In Depth CO. Interior Inspection Report

Roof Condition

Coating Condition:

- | | |
|---|----------------------------|
| <input checked="" type="checkbox"/> Oxidation: To Extent of 3% | |
| <input checked="" type="checkbox"/> D-lamination: Extensive: < 1% | |
| <input checked="" type="checkbox"/> Staining: Moderate | Type: Sediment / Corrosive |
| <input type="checkbox"/> Blistering: N/A | Type: None |
| <input type="checkbox"/> Cracking: N/A | Type: None |
| <input checked="" type="checkbox"/> Chalking: Moderate | |
| <input type="checkbox"/> Checking: N/A | |
| <input type="checkbox"/> Pinholes: N/A | |
| <input type="checkbox"/> Saggs and Runs: N/A | |

Seams/Welds Condition: Good

 Any irregularities or structural deficiencies? Y N

Description: None

Corrosion:

- | | |
|--|------------|
| <input type="checkbox"/> None/NA | |
| <input checked="" type="checkbox"/> Uniform Surface Corrosion: To Extent of 3% | |
| <input checked="" type="checkbox"/> Concentrated Cell Corrosion: Extensive: < 1% | |
| <input type="checkbox"/> Rust Noduling/Pitting: N/A | Depth: N/A |
| <input type="checkbox"/> Galvanic: N/A | |
| <input checked="" type="checkbox"/> De-alloying: Few Isolated: < 0.3% | |
| <input type="checkbox"/> Intergranular: N/A | |
| <input type="checkbox"/> Stress Corrosion Cracking: N/A | |
| <input type="checkbox"/> Erosion Corrosion: N/A | |

Overall Condition: Good to Fair

Additional Notes:

- corrosive staining above waterline
- concentrated corrosion localized on seams
- uncapped plumbing allowing in bio life



Ladder Condition

Ladder Location: N/A

Safety Climb Type: N/A

Coating Condition:

- | | |
|--|------------|
| <input type="checkbox"/> Oxidation: N/A | |
| <input type="checkbox"/> D-lamination: N/A | |
| <input type="checkbox"/> Staining: N/A | Type: None |
| <input type="checkbox"/> Blistering: N/A | Type: None |
| <input type="checkbox"/> Cracking: N/A | Type: None |
| <input type="checkbox"/> Chalking: N/A | |
| <input type="checkbox"/> Checking: N/A | |
| <input type="checkbox"/> Pinholes: N/A | |
| <input type="checkbox"/> Saggs and Runs: N/A | |

Seams/Welds Condition: N/A

Corrosion:

- | | |
|---|------------|
| <input type="checkbox"/> None/NA | |
| <input type="checkbox"/> Uniform Surface Corrosion: N/A | |
| <input type="checkbox"/> Concentrated Cell Corrosion: N/A | |
| <input type="checkbox"/> Rust Noduling/Pitting: N/A | Depth: N/A |
| <input type="checkbox"/> Galvanic: N/A | |
| <input type="checkbox"/> De-alloying: N/A | |
| <input type="checkbox"/> Intergranular: N/A | |
| <input type="checkbox"/> Stress Corrosion Cracking: N/A | |
| <input type="checkbox"/> Erosion Corrosion: N/A | |

Overall Condition: N/A

Additional Notes:

None Noted

N/A



Floor Condition

Coating Condition:

- Oxidation: N/A
- D-lamination: None, or < 0.01%
- Staining: Minor Type: Sediment
- Blistering: N/A Type: None
- Cracking: N/A Type: None
- Chalking: Moderate
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Any identified signs of leaking? Y N

Seams/Welds Condition: Excellent to Good

Sediment depth: 2'-8"

Any irregularities or structural deficiencies? Y N

Description: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: None, or < 0.01%
- Concentrated Cell Corrosion: Few Isolated: < 0.1% Depth: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Overall Condition: Excellent to Good

- Additional Notes:**
- heavy sediment (removed during clean)
 - minor chalking and staining remains
 - minimal signs of corrosion below waterline

07-27-2018 FRI 14:51:28

Camera 01

07-27-2018 FRI 14:52:46

Camera 01

Drain Condition

Drain Location: Center

Drain Obstructed Y N

Coating Condition:

- Oxidation: None, or < 0.01%
- D-lamination: N/A
- Staining: Moderate Type: Sediment
- Blistering: Minor Type: Micro
- Cracking: N/A Type: None
- Chalking: Minor
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Seams/Welds Condition: Excellent to Good

Corrosion:

- None/NA
- Uniform Surface Corrosion: Minute: < 0.03%
- Concentrated Cell Corrosion: N/A Depth: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: None, or < 0.01%

Overall Condition: Excellent to Good

- Additional Notes:**
- drain penetrates through center floor of tank
 - no coating noted
 - minor blisters around penetration

07-27-2018 FRI 14:51:09

Camera 01

07-27-2018 FRI 14:51:09

Camera 01



Wall Panel Condition

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: Minor
- Blistering: N/A
- Cracking: N/A
- Chalking: Moderate
- Checking: N/A
- Pinholes: N/A
- Sags and Runs: N/A

Type: Waterline / Sediment
 Type: None
 Type: None

Seams/Welds Condition: Excellent to Good

Is biofilm present? Y N

Any irregularities or structural deficiencies? Y N

Description: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: None, or < 0.01%
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Overall Condition: Excellent to Good

Additional Notes: - moderate chalking noted throughout entire tank
 - sediment & waterline staining present
 - minimal discrepancies to be noted



Float Level Indicator Condition

Float Location: N/A

Float Condition: N/A

Float Sealed? Y N

Guidelines Condition: N/A

Attached Properly? Y N

Cable Condition: N/A

Attached Properly? Y N

Hardware Condition: N/A

Coating Condition: N/A

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Overall Condition: N/A

Additional Notes: * None noted*

N/A



Inlet Condition

Common Inlet/Outlet? Y N

Location: South Lower Wall

Trash Rack Present? Y N

Coating Condition:

Oxidation: Few Isolated: < 0.3%

D-lamination: N/A

Staining: Minor

Blistering: N/A

Cracking: N/A

Chalking: Moderate

Checking: N/A

Pinholes: N/A

Saggs and Runs: Minor

Type: Corrosive

Type: None

Type: None

Seams/Welds Condition: Good

Corrosion:

None/NA

Uniform Surface Corrosion: Extensive: < 1%

Concentrated Cell Corrosion: Extensive: < 1%

Rust Noduling/Pitting: N/A

Depth: N/A

Galvanic: N/A

De-alloying: N/A

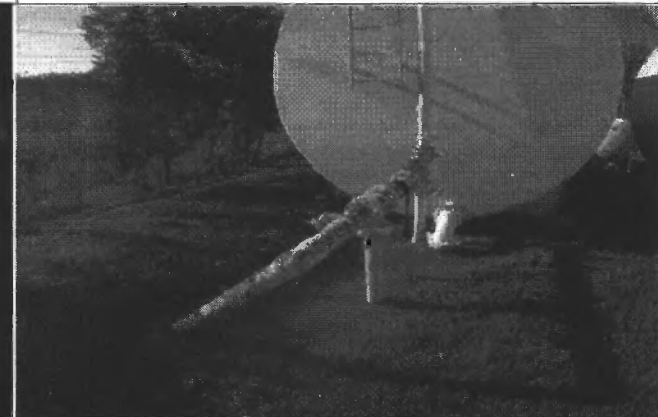
Intergranular: N/A

Stress Corrosion Cracking: N/A

Erosion Corrosion: Few Isolated: < 0.1%

Overall Condition: Good

Additional Notes: - inlet penetrates through lower south wall
- corrosion around penetration
- consistent ratings throughout



Outlet Condition

Location: 11:55

Trash Rack Present? Y N

Coating Condition:

Oxidation: Few Isolated: < 0.3%

D-lamination: Few Isolated: < 0.1%

Staining: Moderate

Type: Sediment

Blistering: Moderate

Type: Micro

Cracking: N/A

Type: None

Chalking: Moderate

Checking: N/A

Pinholes: N/A

Saggs and Runs: N/A

Seams/Welds Condition: Excellent to Good

Corrosion:

None/NA

Uniform Surface Corrosion: Few Isolated: < 0.1%

Concentrated Cell Corrosion: Few Isolated: < 0.1%

Rust Noduling/Pitting: Few Isolated: < 0.1%

Depth: 1/8"

Galvanic: N/A

De-alloying: N/A

Intergranular: N/A

Stress Corrosion Cracking: N/A

Erosion Corrosion: N/A

Overall Condition: Good

Additional Notes: - 90-degree elbows downwards
- penetrates through wall into external plumbing
- corrosion & blisters noted throughout



Support Column Condition

Number of Columns: None

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: N/A
- Blistering: N/A
- Cracking: N/A
- Chalking: N/A
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: None
Type: None
Type: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Overall Condition: N/A

Additional Notes: *None Noted*

Seams/Welds Condition: N/A

Any irregularities or structural deficiencies? Y N

Description: N/A

N/A

Overflow Condition

Overflow Location: N/A

Coating Condition:

- Oxidation: N/A
- D-lamination: N/A
- Staining: N/A
- Blistering: N/A
- Cracking: N/A
- Chalking: N/A
- Checking: N/A
- Pinholes: N/A
- Saggs and Runs: N/A

Type: None
Type: None
Type: None

Corrosion:

- None/NA
- Uniform Surface Corrosion: N/A
- Concentrated Cell Corrosion: N/A
- Rust Noduling/Pitting: N/A
- Galvanic: N/A
- De-alloying: N/A
- Intergranular: N/A
- Stress Corrosion Cracking: N/A
- Erosion Corrosion: N/A

Depth: N/A

Overall Condition: N/A

Additional Notes: *None Noted*

Seams/Welds Condition: N/A

Is anything blocking the flow? Y N

Description: N/A

N/A



Manway Condition

Manway Location: N/A

Coating Condition:

Oxidation: N/A

D-lamination: N/A

Staining: N/A

Blistering: N/A

Cracking: N/A

Chalking: N/A

Checking: N/A

Pinholes: N/A

Saggs and Runs: N/A

Type: None

Type: None

Type: None

Seal: Bolted Pressurized N/A

Gasket Condition: N/A

Seam/Welds Condition: N/A

Corrosion:

None/NA

Uniform Surface Corrosion: N/A

Concentrated Cell Corrosion: N/A

Rust Noduling/Pitting: N/A

Galvanic: N/A

De-alloying: N/A

Intergranular: N/A

Stress Corrosion Cracking: N/A

Erosion Corrosion: N/A

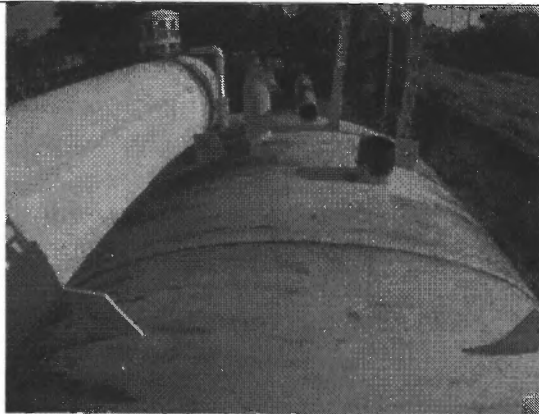
Overall Condition: N/A

Additional Notes: *None Noted*

Depth: N/A

N/A

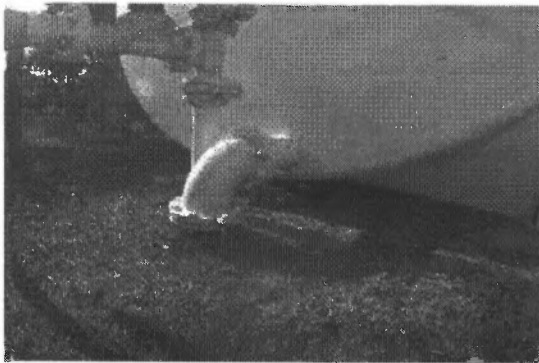
Additional Pictures



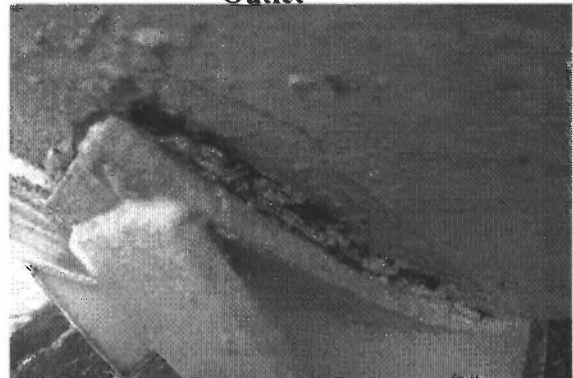
Roof



Outlet



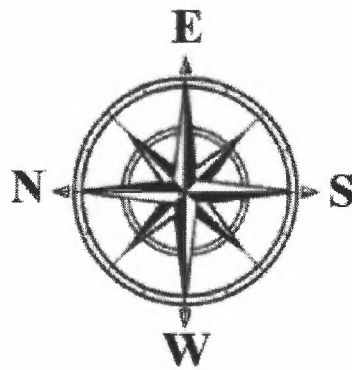
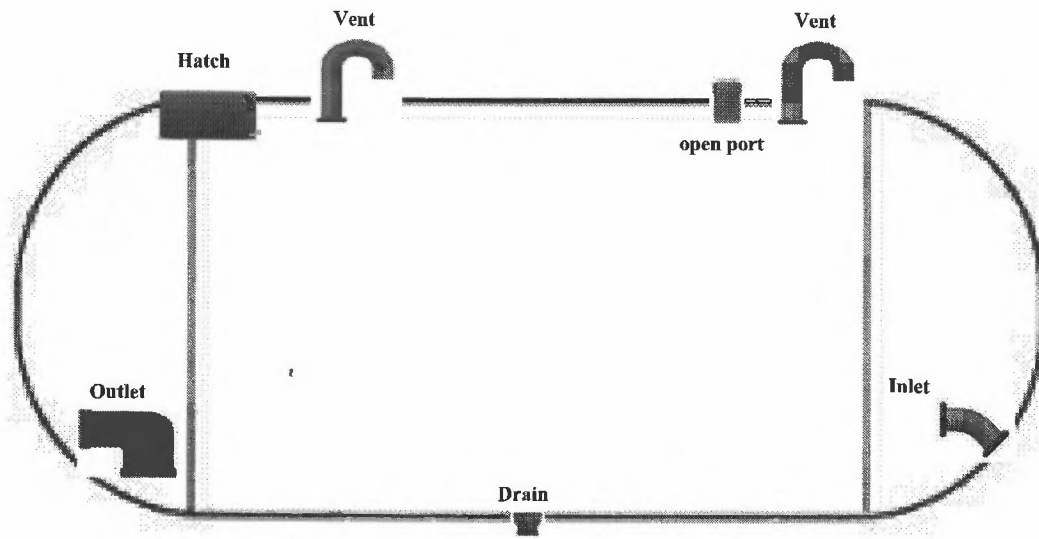
Inlet



Saddle / Tank Seam



Tank Layout





FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

May 28, 2019

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

**RE: Warning Letter No. WL19-116
Neighborhood Utilities
Facility ID No. 2164279
Duval County**

Dear Mr. O'Steen:

A file review was conducted on your system on February 27, 2019, under the authority of Section 403.091, Florida Statutes (F.S.). During this file review, possible violations of Chapter 403, F.S., and Chapter 62-550.518, Florida Administrative Code (Fla. Admin. Code), were noted.

During this file review, Department personnel noted insufficient bacteriological samples were collected for the January 2019 monitoring period. Pursuant to Rule 62-560.410, Fla. Admin. Code, you are required to notify the public, served by this system and submit documentation within 45 days from the date of this letter. The template for Public Notice and the Certification of Delivery form are attached for your use.

Additional possible violations are currently outstanding with your system identified in the March 15, 2017 Compliance Assistance Offer Letter:

- Pursuant to Rule 62-555.320(14), Fla. Admin. Code, there is inadequate standby power.
 - Due to the inadequate standby power, the system failed to function during the power outage during Hurricane Irma, resulting in an extended outage and a Precautionary Boil Water Notice.
- Pursuant to Rule 62-555.350(2), Fla. Admin. Code, there was corrosion located below the Aerator on Ground Storage Tank 2.

Neighborhood Utilities
Facility ID No. 2164279
Warning Letter No. WL19-116
Page 2 of 2

Violations of Florida Statutes or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to Section 403.121, Florida Statutes.

Please contact Matthew Kershner at (904) 256-1649, within 15 days of receipt of this Warning Letter to arrange a meeting to discuss this matter. The Department is interested in receiving any facts that you may have which might assist in determining whether any violations have occurred. You may bring anyone with you to the meeting that you feel could help resolve this matter.

Please be advised that this Warning Letter is part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. We look forward to your cooperation in completing our investigation and resolving this matter as soon as possible.

Sincerely,



Gregory J. Strong
District Director

Enclosures: Public Notice Instructions
Public Notice Template
Certification of Delivery Form

 cc: FDEP: Matthew Kershner, Joni Petry, Shane Tierney, Monique Jordan, DEP_NED
Robin Higgins, rhiggins@uswatercorp.com

PUBLIC NOTIFICATION INSTRUCTIONS

This water system is required to issue public notice to the consumers of its water. Public notification must be issued within **30 days** of this notice.

Either method 1 or 2 must be used to issue public notice, in addition to method 3 for community water systems with a population greater than 3300:

1. US Mail. Submit a copy of the actual notice mailed to serve as proof of distribution.
2. Hand Delivery and Continuous Posting. Submit a copy of the actual notice posted to serve as proof of distribution. Posting must continue until the contaminants are sampled for, but in no case less than 7 days even if samples are taken.
3. Publication in a newspaper of general circulation in the affected area. A copy of the published notice will serve as proof of distribution.

Please note that the public notice must be reissued at least once every 3 months until bacteriological samples are taken.

The attached public notice is appropriate for hand delivery or mail. However, you may wish to modify it before using it. If you do, you must still include all the required elements and leave the health effects language in *italics* unchanged. This language is mandatory. Also, each notice shall be conspicuous and shall not contain unduly technical language, unduly small print, or similar problems, which would frustrate the purpose of the notice.

In your notice, please indicate the reason for not conducting sampling and the corrective actions you are taking to prevent future missed sampling. Listed below are some steps commonly taken by water systems. Use one or more of the following actions, if appropriate, or develop your own:

- We are chlorinating and flushing the water system.
- We are increasing sampling for coliform bacteria.
- We are investigating the source of contamination.
- We are repairing the wellhead seal.
- We are repairing the storage tank.
- We will inform you when additional samples show no coliform bacteria.
- We did not conduct the required total coliform sampling.
- We will sample (have sampled) for the current month on _____ date and will submit these results to the Department as required.

Within 10 days after issuing/posting the public notice, you must submit a copy of the attached *PWS Certification of Delivery of Public Notice* form, along with a copy of the notice (as explained above) to this office:

Department of Environmental Protection
Attn: Potable Water Section
8800 Baymeadows Way West, Suite 100
Jacksonville, FL 32256
Electronic Submittals: DEP_NED@dep.state.fl.us

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Neighborhood Utilities Bacteriological Monitoring Public Notice

What happened?

Our water system did not meet the requirements of a drinking water rule. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

We are required to monitor your drinking water for specific contaminants on a regular basis. For community water systems, such as ours, quarterly monitoring is required for Total Coliform. Results of regular monitoring are an indicator of whether or not your drinking water meets health standards. We had a total coliform positive distribution sample in January 2019, which requires a set of distribution samples in the month following the positive. We should have taken two distribution samples in January. However, the system only took one distribution sample.

What should I do?

Coliforms are bacteria that are naturally present in the environment and are used as an indicator that other, potentially harmful, waterborne pathogens may be present or that a potential pathway exists through which contamination may enter the drinking water distribution system.

Any customers who are concerned about their exposure to Coliforms can choose alternative sources of water for ingestion.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately.

What is being done?

This is what we are doing to correct the problem: _____

We anticipate resolving the problem by this date: _____

For more information, please contact _____ at _____

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by **Neighborhood Utilities**

State Public Water System ID#: **2164279**

Date distributed: _____



PWS CERTIFICATION OF DELIVERY OF PUBLIC NOTICE

INSTRUCTIONS: The supplier of water, within ten days of completion of each public notification requirement pursuant to Part IV of Chapter 62-560, Florida Administrative Code, shall submit to the appropriate Department of Environmental Protection District Office or Approved County Health Department a completed DEP Form 62-555.900(22), Certification of Delivery of Public Notice, and include with the form a representative copy of each type of notice distributed, published, posted, and made available to the persons served by the system, and the media. All information provided on this form shall be typed or printed in ink.

I. General Information		
Public Water System (PWS) Name:		
PWS ID:		
PWS Type: <input type="checkbox"/> Community <input type="checkbox"/> Non-Transient Non-Community <input type="checkbox"/> Transient Non-Community		
PWS Owner:		
Contact Person:	Contact Person's Title:	
Contact Person's Mailing Address:		
City:	State:	Zip Code:
Contact Person's Telephone Number:	Contact Person's Fax Number:	
Contact Person's E-Mail Address:		

II. Certification						
For Violation/Situation:						
Date of Occurrence:						
Consultation Date						
Delivery Methods:	<input type="checkbox"/> Radio/TV	<input type="checkbox"/> Mail	<input type="checkbox"/> Newspaper	<input type="checkbox"/> Hand Delivery	<input type="checkbox"/> Posting	<input type="checkbox"/> Other(describe)
Delivery Date/s:						

I am duly authorized to sign this form on behalf of the public water system identified in Part I of this form. I certify that the information provided on this form is correct to the best of my knowledge and that public notice has been provided to consumers in accordance with the delivery, content, and format requirements and deadlines in Chapter 62-560, Florida Administrative Code.

Signature and Date	Printed or Typed Name	Title
--------------------	-----------------------	-------



REVIEWED
By Shane Tierney at 2:53 pm, Sep 10, 2019

VERIFICATION OF PUBLIC NOTICE

INSTRUCTIONS: The supplier of water, within ten days of completion of each public notification requirement pursuant to Part IV of Chapter 62-560, Florida Administrative Code, shall submit to the appropriate Department of Environmental Protection District Office or Approved County Health Department a completed DEP Form 62-555.900(22), Certification of Delivery of Public Notice, and include with the form a representative copy of each type of notice distributed, published, posted, and made available to the persons served by the system, and the media. All information provided on this form shall be typed or printed in ink.

I. General Information		
Public Water System (PWS) Name: Neighborhood Utilities		
PWS ID: 2164279		
PWS Type: <input checked="" type="checkbox"/> Community <input type="checkbox"/> Non-Transient Non-Community <input type="checkbox"/> Transient Non-Community		
PWS Owner: Neighborhood Utilities Inc.		
Contact Person: Larry O'steen	Contact Person's Title: Owner	
Contact Person's Mailing Address: 300 W Adams St Ste 540		
City: Jacksonville	State: FL	Zip Code: 32202
Contact Person's Telephone Number: 904-350-9824	Contact Person's Fax Number: 904-356-1520	
Contact Person's E-Mail Address:		

II. Certification						
For Violation/Situation: Monitoring Violation						
Date of Occurrence: 2019						
Consultation Date:						
Delivery Methods:	<input type="checkbox"/> Radio/TV	<input type="checkbox"/> Mail	<input type="checkbox"/> Newspaper	<input checked="" type="checkbox"/> Hand Delivery	<input checked="" type="checkbox"/> Posting	<input type="checkbox"/> Other(describe)
Delivery Date/s:				6-24-19	6-24-19	

I am duly authorized to sign this form on behalf of the public water system identified in Part I of this form. I certify that the information provided on this form is correct to the best of my knowledge and that public notice has been provided to consumers in accordance with the delivery, content, and format requirements and deadlines in Chapter 62-560, Florida Administrative Code.

<u>Robin Higgins 6-24-19</u>	<u>Robin Higgins</u>	<u>Compliance Coord.</u>
Signature and Date	Printed or Typed Name	Title

IMPORTANT NOTICE ABOUT YOUR DRINKING WATER

Neighborhood Utilities Bacteriological Monitoring Public Notice

What happened?

Our water system did not meet the requirements of a drinking water rule. Although this is not an emergency, as our customers, you have a right to know what happened, and what we did to correct this situation.

We are required to monitor your drinking water for specific contaminants on a regular basis. For community water systems, such as ours, monthly monitoring is required for Total Coliform. Results of regular monitoring are an indicator of whether or not your drinking water meets health standards routinely monitor for total coliform bacteria in our drinking water system.

In review of the bacteriological results for January 2019, the report shows that the well and 1 distribution sample was collected, results of which were satisfactory. A second distribution sample was listed on the report form, however no sampling information or laboratory results was indicated.

What should I do?

You do not need to boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.

People with severely compromised immune systems, infants, and some elderly may be at increased risk. These people should seek advice about drinking water from their health care providers. General guidelines on ways to lessen the risk of infection by microbes are available from EPA's Safe Drinking Water Hotline at 1-800-426-4791.

What does this mean?

This is not an emergency. If it had been, you would have been notified immediately.

What is being done?

In order to assess the current quality of the drinking water, the water system collected samples in February 2019 for total coliform bacteria, all came back absent for total coliform. We apologize for any inconvenience and thank you for your patience.

For more information, please contact Robin Higgins at (727)-848-8292 Ext 203

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by our water system: Neighborhood Utilities
Potable Water System ID# 2164279

Date Distributed: June 24, 2019



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

September 3, 2020

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

**RE: Warning Letter No. WL20-195
Neighborhood Utilities (Timber Creek)
PWS ID No. 2164279
Duval County – Drinking Water**

Dear Mr. O'Steen:

A sanitary survey inspection was conducted at your system on July 1, 2020. During this inspection, possible violations of Chapter 403, Florida Statutes (Fla. Stat.), and Chapter 62-555, Florida Administrative Code (Fla. Admin. Code), were observed.

During the inspection, Department personnel noted the following:

- High Service Pump 2 was leaking;
- Well Pump 1 was leaking;
- Well Pump 1 had biogrowth in the well casing; and
- The on-site generator was non-functional and has been since at least 2017.

On March 15, 2017, a written Compliance Assistance Offer Letter was issued to you as part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. You failed to respond to the Compliance Assistance Offer Letter within 15 days, or responded as follows:

- Mr. O'Steen stated that he was in the bidding process of replacing the generator. No further information was provided.

On May 28, 2019, a written Warning Letter (WL19-116) was issued to you as a precursor to enforcement. You failed to respond to the Warning Letter within 15 days, or responded as follows:

- Through the operating company U.S. Water Corporation, the company explained that they provided a proposal to the owner for the investigation and repair of standby power, but the owner elected to utilize a different vendor. No further information was provided.

Violations of Florida Statutes or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to Section 403.131, Florida Statutes.

Please contact Matthew Kershner at (904) 256-1649, within 15 days of receipt of this Warning Letter to arrange a meeting to discuss this matter. The Department is interested in receiving any facts that you may which might assist in determining whether any violations have occurred. You may bring anyone with you to the meeting that you feel could help resolve this.

Please be advised that this Warning Letter is part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. We look forward to your cooperation in completing our investigation and resolving this as soon as possible.

Sincerely,



Gregory J. Strong
District Director

Enclosure: Sanitary Survey Inspection Report

cc: FDEP-NED: Matthew Kershner, Joni Petry, Shane Tierney, DEP_NED
Melisa Rotteveel, U.S. Water Corp. - mrotteveel@uswatercorp.com

Florida Department of Environmental Protection

Northeast District Public Water System Sanitary Survey Inspection Report

Water system: Neighborhood Utilities		System PWS #: 2164279	Survey date: 7/1/2020
Facility type class: Community - (5C)		Source type: Ground	4-Log approved: No
Facility address: 10400 Timber Creek Lane, Jacksonville, FL 32202			
Facility phone(s): 904-350-9824		Facility email/fax: wlarryo@hotmail.com	
Facility contact: Mr. Larry O'Steen		Facility contact phone(s): 904-389-0487	
Facility contact email/fax: wlarryo@hotmail.com			
Owner name: Mr. Larry O'Steen		Company name: Neighborhood Utilities Inc	
Owner/Corp address: 4551 Shirley Ave		City: Jacksonville	State: FL Zip: 32210
Owner/Corp phone(s): 904-389-0487		Owner e-contact(s): wlarryo@hotmail.com	
Operator name: Quincy Jones		Certification: C-14369	
Operator phone(s): 866-753-8292		Operator email/fax: rhiggins@uswatercorp.net	
On-site Rep: Quincy Jones	Immediate Action Required?: No		Inspection recap given? Yes

SERVICE AREA CHARACTERISTICS

Neighborhood, MHP

Food Service: Yes No N/A

GENERAL INFORMATION

Number of Service Connections 406
 Population Served 1,015 Basis Owner
 Plant Design Capacity 360,000 gpd
 Basis well pump calibration 6/2008
 Average Day (from MORs) 67,742 gpd
 Max. Day (from MORs) 187,000 gpd
 Total Storage Capacity 41,000 gallons
 Comments 25K GST + 15K Gst + 1/2(2k H tank)

LOCATION

Latitude 30° 16' 47.5125" North
 Longitude 81° 50' 2.2819" West
 GPS: No Date: DPHO 9/25/08
 Directions Take I-95 N to I-10 W to I-295S. From I-295S take the Normandy exit 19 and turn left. Continue for ~4 miles and turn right onto Blair Rd. Go -5 miles and turn left onto Timber Creek Lane. WTP is on the right.

OPERATION & MAINTENANCE

Certified Operator: Yes No Not required
 Plant visits conducted by: Quincy Jones
 O&M Log: Yes No O&M Manual: Yes No
 Visitation Frequency
 Hrs/day: *Required* 0.1 *Actual* 0.2
 Hrs/wk: *Required* 0.6 *Actual* 1.2
 Days/wk: *Required* 6 *Actual* 6
 Non-consecutive Days? Yes No N/A
 MORs submitted regularly? Yes No N/A
 Data missing from MORs? No Yes N/A
Alfred Lewis also operates the plant
C-7228

RAW WATER SOURCE

GROUND; Number of Wells 1
 SURFACE/UDI; Source _____
 PURCHASED from PWS ID # _____
 Emergency Water Source JEA Major Grid
 Emergency Water Capacity 360,000

AUXILIARY POWER SOURCE

Yes None Not Required
 Source Generator
 Capacity of Standby (kW) 250
 Switchover: Automatic Manual
 Standby Plan: Yes No
 Hrs Operated Under Load *N/A
 What equipment does it operate?
 Well pumps _____
 High Service Pumps _____
 Treatment Equipment _____
 Satisfy 1/2 max-day demand? Yes No Unk
 Comments Generator is out of service at
time of inspection

TREATMENT PROCESSES IN USE

Aeration
Hypochlorination
 Is additional treatment needed? Yes No
 If so, for control of what deficiencies?
none

DISTRIBUTION SYSTEM

Flow Measuring Device Flow Meter
 Meter Size & Type Water Specialities 6"
 Meter tested w/i 5 yrs? Yes No Unk N/A
 Backflow Prevention: Yes No
 Cross-connections None noted
 Cross-connection Control Program: Yes No N/A
 Coliform Sampling Plan: Yes No
 Stage 2 DBPs Sampling Plan: Yes No N/A
 Lead & Copper Sampling Plan: Yes No N/A
 Comments Meter tested in Oct 2018

GROUND WATER SOURCE

Well Number (PWS Identification)	2		
Well Name (System Identification)	Well 2		
Year Drilled	1986		
Depth Drilled	1,000'		
Latitude	30° 16' 39.6776" N		
Longitude	81° 50' 2.2241" W		
GPS (Y or N) / Date (if applicable)	Y/2003		
Florida Well ID	AAE0046		
Static Water Level	20'		
Normal Yield (if different than rated capacity)	N/A		
Strainer	Unk		
Length (outside casing)	90'		
Diameter (outside casing)	8"x12"		
Material (outside casing)	Galvanized Steel		
Well Contamination History	None noted		
Is inundation of well possible?	Not Likely		
6' X 6' X 4" Concrete Pad	Ok		
SET BACKS	Septic Tank	> 150'	
	Reuse Water	> 150'	
	WW Plumbing	> 150'	
	Other Sanitary Hazard	> 150'	
PUMP	Type	Vertical Turbine*	
	Manufacturer Name	Peerless	
	Model Number	10LB-2	
	Rated Capacity (gpm)	350	
	Motor Horsepower	10	
Well casing 12" above grade?	Ok		
Well Casing Sanitary Seal	Ok		
Raw Water Sampling Tap	Ok		
Above Ground Check Valve	Ok		
Fence/Housing	Ok		
Well Vent Protection	Artesian		

COMMENTS *Small leak at pump around packing

*Algal growth present inside vert pump housing

CHLORINATION (Disinfection)

Type: Hypo-Chlorination
 Make Stenner 85MGP17 Capacity 17 gpd
 Chlorine Feed Rate Set to 3
 Avg. Amount of Cl₂ gas used N/A
 Chlorine Residuals: Plant 2.2+ Remote 2.12
 Remote tap location Chateau Pines
 DPD Test Kit: On-site With operator
 None Not Used Daily
 Injection Points Into Aerator
 Booster Pump Info n/a
 Comments _____

Chlorine Gas Use Requirements	Chlorine Gas Use		Comments n/a
	YES	NO	
Dual System	<input type="checkbox"/>	<input type="checkbox"/>	
Auto-switchover	<input type="checkbox"/>	<input type="checkbox"/>	
Alarms:			
Loss of Cl ₂ capability	<input type="checkbox"/>	<input type="checkbox"/>	
Loss of Cl ₂ residual	<input type="checkbox"/>	<input type="checkbox"/>	
Cl ₂ leak detection	<input type="checkbox"/>	<input type="checkbox"/>	
Scale	<input type="checkbox"/>	<input type="checkbox"/>	
Chained Cylinders	<input type="checkbox"/>	<input type="checkbox"/>	
Reserve Supply	<input type="checkbox"/>	<input type="checkbox"/>	
Adequate Air-pak	<input type="checkbox"/>	<input type="checkbox"/>	
Sign of Leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Fresh Ammonia	<input type="checkbox"/>	<input type="checkbox"/>	
Ventilation	<input type="checkbox"/>	<input type="checkbox"/>	
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	
Repair Kits	<input type="checkbox"/>	<input type="checkbox"/>	
Fitted Wrench	<input type="checkbox"/>	<input type="checkbox"/>	
Housing/Protection	<input type="checkbox"/>	<input type="checkbox"/>	

AERATION (Gases, Fe, & Mn Removal)

Type Tray Capacity 350 gpm
 Aerator Condition Good
 Bloodworm Presence None
 Visible Algae Growth None
 Protective Screen Condition Good
 Comments _____

STORAGE FACILITIES

(B) Bladder (CW) Clearwell (C) Contact (E) Elevated (G) Ground (H) Hydropneumatic (S.C.) See Comments

Tank Type/Number	H	G1	G2
Capacity (gal)	2000	15K	25K
Material	Steel	Steel	Steel
By-pass Piping	No	Yes	Yes
Gravity Drain	Yes	Yes	Yes
PRV/ARV	PRV	N/A	N/A
Protected Openings	Yes	Yes	Yes
Pressure Gauge	Yes	N/A	N/A
Sight Glass or Level Indicator	S.G.	No	No
Fittings for Sight Glass	Yes	No	No
Access Padlocked	Yes	Yes	Yes
Last Inspection Date (for tanks with access manholes)	2018	2018	2018
On/Off Pressure	40/60	N/A	N/A
Height to Bottom of Elevated Tank	N/A	N/A	N/A
Height to Max. Water Level	N/A	N/A	N/A

Comments _____

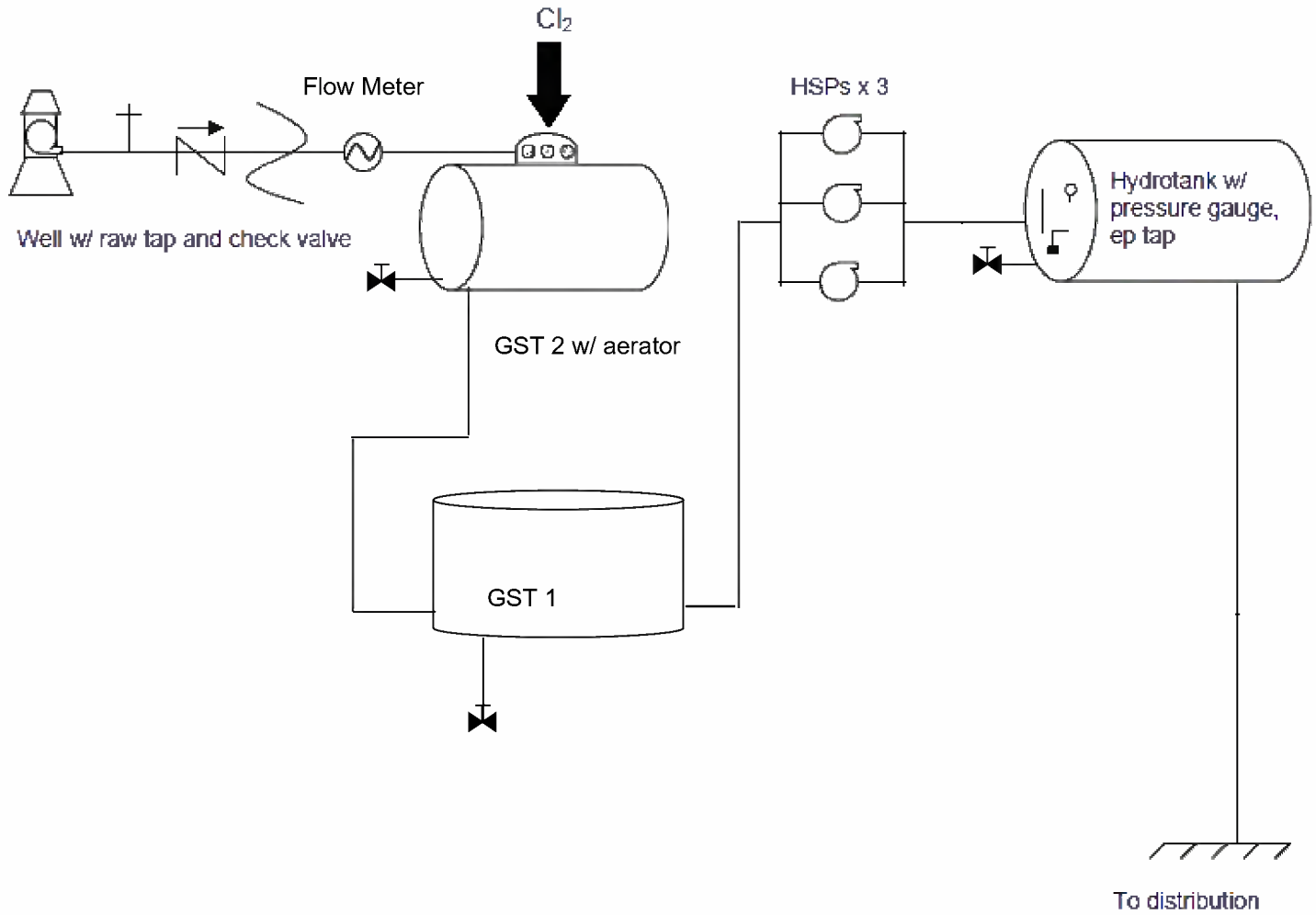
 All 3 tanks are finished water tanks with a manhole and require inspections by a certified engineer.

HIGH SERVICE PUMPS

Pump Number	1	2	3
Type	Centifugal	Centrifugal	Centrifugal
Make	Balder	Emerson	Sterling
Model	DYY2647	R433	C8W0AN-AF
Capacity (gpm)	341	256	256
Motor HP	20	15	15
Date Installed	1995	1995	1995
Maintenance	Ok	Ok	Ok

Comments Leak present on pump 2 check valve

SCHEMATIC (not to scale):



Monitoring Schedule					
Chemical	Next Due	Comments	Chemical	Next Due	Comments
Bacteriologicals	Monthly	2 Distribution and 1 Raw samples	VOCs	2021	
Disinfectant Levels	Monthly	with bactis	SOCs	2021	
Nitrate & Nitrite	2020		Rads	2021	All except Uranium
Inorganics	2021		DBPs	2020	November
Asbestos	2021	or waiver	Pb-Cu	2022	Jun-Sep
Secondaries	2021		WQPs	n/a	

*Sample locations vary. If you have any questions, please contact your inspector.

MONITORING VIOLATIONS	MCL VIOLATIONS
Insufficient distribution samples in Jan 2019	Odor MCL in Dec 2018

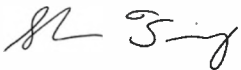
DEFICIENCIES:

#	Deficiency	Rule Reference	Corrective Action	Severity	Corrected
1	Pump(s) or valve(s) leaking or not properly functioning. (HSP2)	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
2	Inadequate standby power	62-555.320(14)	Provide adequate standby power.	Minor	No
3	Well 1 Pump is leaking or not properly functioning.	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
4	Well Pump 1 had biogrowth	62-555.350(2)	Thoroughly clean.	Minor	No

Any deficiency marked with an asterisk (*) is a repeat violation.

ADDITIONAL COMMENTS:

Generator has been out of service since at least 2017. A warning letter was issued in May of 2019 for this issue. As a result, the next step will be a enforcement action to compel correction of the deficiency. While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of 62-555.320.

Inspector: 
 Shane Tierney, Environmental Specialist III

(904) 256-1642
 shane.tierney@dep.state.fl.us

Approved by: 
 Joni Petry, Environmental Consultant



**FLORIDA DEPARTMENT OF
Environmental Protection**

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

Receipt for Notification Submission

December 14, 2020

Melisa Rotteveel

NEIGHBORHOOD UTILITIES (TIMBER CREEK) - 2164279
10400 TIMBER CREEK LN.
JACKSONVILLE, FL

This is to acknowledge that your Incident and Malfunction Notices was received on **December 14, 2020**.

A compliance inspector may be in contact with you to request additional information.

In support of your notification you provided the following information:

Attachments:

File Description: BWN 12.14.20

File Name: Boil_Neighborhood-TimberCrk, 12.14.20.doc

File Hash: 146915665d0b531f0c768160019b6a2260ce0efdcde562768e9418199fff33d7

All files related to your facility may be viewed at our Departmental Information Portal:
<https://prodenv.dep.state.fl.us/DepNexus/public/electronic-documents/2164279/facility!search>
Please allow up to three (3) business days for the above documents to appear.

Staff will notify you of any additional information that may be required to complete your notification.

The Office for your project is:
Northeast District
DEP_NED@dep.state.fl.us

Please contact this Office for any questions regarding your project.



Water and Wastewater Utility Operations, Maintenance, Engineering, Management

December 14, 2020

PRECAUTIONARY BOIL WATER NOTICE

To: Neighborhood Utilities/Timber Creek Water Users
PWS I.D. # 216-4279

Your water system has experienced a loss of water due to a water line break and repair which occurred earlier today.

Upon return of water service - as a precaution, we advise that all water used for drinking, cooking, making ice, washing dishes, or brushing teeth be boiled. A rolling boil of one minute is sufficient. As an alternative, bottled water may be used.

This "Precautionary Boil Water Notice" will remain in effect until a bacteriological survey shows that the water is safe to drink, at which point the boil water notice will be rescinded.

If you have any questions, please contact U.S. Water Services at (727) 848-8292 ext 203.

4939 Cross Bayou Blvd., New Port Richey, Florida 34652

Ph: 727-848-8292 Fax: 727-849-4219 Toll Free: 866-753-8292



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

October 25, 2021

CERTIFIED MAIL - RETURN RECEIPT

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, FL 32210

**RE: Florida Department of Environmental Protection vs Neighborhood Utilities
OGC Consent Order No. 21-0814
Duval County – Drinking Water Enforcement**

Dear Mr. O'Steen:

Enclosed is the Long Form Consent Order to resolve the matter of the Neighborhood Utilities, PWS ID Number 2164279, failing to provide adequate standby power, failing to fix a leak in a high service pump, failing to remove biogrowth in the Well 1 pump housing, and failing to fix a leak in Well pump 1. Please review it and, if acceptable, sign and return the entire original document to this office within 14 days of receipt.

If the Consent Order is not acceptable as written, please respond in writing within 14 days explaining the problems that you have with the document.

If you have any questions concerning the Consent Order, please feel free to contact Shane Tierney at Shane.Tierney@FloridaDEP.gov, by phone at (904) 256-1642. Your cooperation with the Florida Safe Drinking Water Act is appreciated.

Sincerely,

A handwritten signature in blue ink that reads "James R. Maher".

James R. Maher, PE
Assistant Director

Enclosure: LFCO# 21-0814

cc: FDEP-NED: Shane Tierney, Joni Petry, DEP_NED
Melisa Rotteveel, mrotteveel@uswatercorp.net

BEFORE THE STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

STATE OF FLORIDA DEPARTMENT)	IN THE OFFICE OF THE
OF ENVIRONMENTAL PROTECTION)	NORTHEAST DISTRICT
)	
v.)	OGC FILE NO. 21-0814
)	
NEIGHBORHOOD UTILITIES, INC.)	
_____)	

CONSENT ORDER

This Consent Order (“Order”) is entered into between the State of Florida Department of Environmental Protection (“Department”) and Neighborhood Utilities, Inc. (“Respondent”) to reach settlement of certain matters at issue between the Department and Respondent.

The Department finds and Respondent admits the following:

1. The Department is the administrative agency of the State of Florida having the power and duty to protect Florida’s water resources and to administer and enforce the provisions of the Florida Safe Drinking Water Act, Sections 403.850, et seq., Florida Statutes (“Fla. Stat.”), and the rules promulgated and authorized in Title 62, Florida Administrative Code (“Fla. Admin. Code”). The Department has jurisdiction over the matters addressed in this Order.

2. Respondent is a person within the meaning of Section 403.852(5), Fla. Stat.

3. Respondent is the owner of a Community Water System (“System”), PWS No. 2164279, located at 10400 Timber Creek Lane, Jacksonville, Florida, 32202, in Duval County, Florida. The System is serving a population of 1,015 through 405 service connections.

4. The Department finds that the following violations occurred:

a) The System has failed to provide adequate standby power in violation of Rule 62-555.320(14), Fla. Admin. Code. The system has a standby generator that has not been functional since at least February 15, 2017. As noted in a sanitary survey conducted July 1, 2020, the generator had not been fixed up to that date, and the generator remains nonfunctional as an adequate standby power source.

b) During the July 1, 2020 sanitary survey inspection, Department staff observed that the System's "High Service Pump 2" was leaking, in violation of Rule 62-555.350(2), Fla. Admin. Code.

c) During the July 1, 2020 sanitary survey inspection, Department staff observed that the System's "Well 1 Pump" had biogrowth in the pump housing, in violation of Rule 62-555.350(2), Fla. Admin. Code.

d). During the July 1, 2020 sanitary survey inspection, Department staff observed that the System's "Well 1 Pump" was leaking, in violation of Rule 62-555.350(2), Fla. Admin. Code.

Having reached a resolution of the matter, Respondent and the Department mutually agree and it is

ORDERED:

5. Respondent shall comply with the following corrective actions within the stated time periods:

a) Within 15 days of the effective date of this Order, Respondent shall provide adequate standby power that meets all applicable requirements under Rule 62-555.320(14), Fla. Admin. Code, and Respondent shall notify the Department when corrections have been completed. Within 14 days of that notification, Department personnel will conduct a follow-up inspection to verify functionality of the standby power.

b) Within 15 days of the effective date of this Order, Respondent shall repair or replace High Service Pump 2.

c) Within 15 days of the effective date of this Order, Respondent shall clean the pump housing for Well 1 Pump.

d) Within 15 days of the effective date of this Order, Respondent shall repair or replace Well 1 Pump.

6. Within 30 days of the effective date of this Order, Respondent shall pay the Department \$3,500.00 in settlement of the regulatory matters addressed in this Order. This amount includes \$3,000.00 for civil penalties and \$500.00 for costs and expenses incurred by the Department during the investigation of this matter and the preparation and tracking of this

Order. The civil penalties are apportioned as follow: \$500.00 for each violation of Rule 62-555.320(14), Fla. Admin. Code, compounded yearly and totaling \$1,500.00; and \$500.00 for each violation of Rule 62-555.350(2), Fla. Admin. Code, totaling \$1,500.00. The civil penalties collectively amount to \$3,000.00.

7. Respondent agrees to pay the Department stipulated penalties in the amount of \$100.00 per day for each and every day Respondent fails to timely comply with any of the requirements of paragraphs 5 and 6 of this Order. The Department may demand stipulated penalties at any time after violations occur. Respondent shall pay stipulated penalties owed within 30 days of the Department's issuance of written demand for payment and shall do so as further described in paragraph 8, below. Nothing in this paragraph shall prevent the Department from filing suit to specifically enforce any terms of this Order. Any stipulated penalties assessed under this paragraph shall be in addition to the civil penalties agreed to in paragraph 6 of this Order.

8. Respondent shall make all payments required by this Order by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at: <http://www.fldepportal.com/go/pay/>. It will take a number of days after this order becomes final, effective and filed with the Clerk of the Department before ability to make online payment is available.

9. Except as otherwise provided, all submittals and payments required by this Order shall be sent to Department of Environmental Protection, 8800 Baymeadows Way West, Suite 100, Jacksonville, Florida, 32256.

10. Respondent shall allow all authorized representatives of the Department access to the Facility and the Property at reasonable times for the purpose of determining compliance with the terms of this Order and the rules and statutes administered by the Department.

11. In the event of a sale or conveyance of the Facility or of the Property upon which the Facility is located, if all of the requirements of this Order have not been fully satisfied,

Respondent shall, at least 30 days prior to the sale or conveyance of the Facility or Property, (a) notify the Department of such sale or conveyance, (b) provide the name and address of the purchaser, operator, or person(s) in control of the Facility, and (c) provide a copy of this Order with all attachments to the purchaser, operator, or person(s) in control of the Facility. The sale or conveyance of the Facility or the Property does not relieve Respondent of the obligations imposed in this Order.

12. If any event, including administrative or judicial challenges by third parties unrelated to Respondent, occurs which causes delay or the reasonable likelihood of delay in complying with the requirements of this Order, Respondent shall have the burden of proving the delay was or will be caused by circumstances beyond the reasonable control of Respondent and could not have been or cannot be overcome by Respondent's due diligence. Neither economic circumstances nor the failure of a contractor, subcontractor, materialman, or other agent (collectively referred to as "contractor") to whom responsibility for performance is delegated to meet contractually imposed deadlines shall be considered circumstances beyond the control of Respondent (unless the cause of the contractor's late performance was also beyond the contractor's control). Upon occurrence of an event causing delay, or upon becoming aware of a potential for delay, Respondent shall notify the Department by the next working day and shall, within seven calendar days notify the Department in writing of (a) the anticipated length and cause of the delay, (b) the measures taken or to be taken to prevent or minimize the delay, and (c) the timetable by which Respondent intends to implement these measures. If the parties can agree that the delay or anticipated delay has been or will be caused by circumstances beyond the reasonable control of Respondent, the time for performance hereunder shall be extended. The agreement to extend compliance must identify the provision or provisions extended, the new compliance date or dates, and the additional measures Respondent must take to avoid or minimize the delay, if any. Failure of Respondent to comply with the notice requirements of this paragraph in a timely manner constitutes a waiver of Respondent's right to request an extension of time for compliance for those circumstances.

13. The Department, for and in consideration of the complete and timely performance by Respondent of all the obligations agreed to in this Order, hereby conditionally waives its right to seek judicial imposition of damages or civil penalties for the violations described above up to the date of the filing of this Order. This waiver is conditioned upon Respondent's complete compliance with all of the terms of this Order.

14. This Order is a settlement of the Department's civil and administrative authority arising under Florida law to resolve the matters addressed herein. This Order is not a settlement of any criminal liabilities which may arise under Florida law, nor is it a settlement of any violation which may be prosecuted criminally or civilly under federal law. Entry of this Order does not relieve Respondent of the need to comply with applicable federal, state, or local laws, rules, or ordinances.

15. The Department hereby expressly reserves the right to initiate appropriate legal action to address any violations of statutes or rules administered by the Department that are not specifically resolved by this Order.

16. Respondent is fully aware that a violation of the terms of this Order may subject Respondent to judicial imposition of damages, civil penalties up to \$5,000.00 per day per violation, and criminal penalties.

17. Respondent acknowledges and waives its right to an administrative hearing pursuant to sections 120.569 and 120.57, Fla. Stat., on the terms of this Order. Respondent also acknowledges and waives its right to appeal the terms of this Order pursuant to section 120.68, Fla. Stat.

18. Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

19. The terms and conditions set forth in this Order may be enforced in a court of competent jurisdiction pursuant to sections 120.69 and 403.121, Fla. Stat. Failure to comply with the terms of this Order constitutes a violation of section 403.161(1)(b), Fla. Stat.

20. This Consent Order is a final order of the Department pursuant to section 120.52(7), Fla. Stat., and it is final and effective on the date filed with the Clerk of the Department unless a Petition for Administrative Hearing is filed in accordance with Chapter 120, Fla. Stat. Upon the timely filing of a petition, this Consent Order will not be effective until further order of the Department.

Persons who are not parties to this Consent Order, but whose substantial interests are affected by it, have a right to petition for an administrative hearing under sections 120.569 and 120.57, Florida Statutes. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition concerning this Consent Order means that the Department's final action may be different from the position it has taken in the Consent Order.

The petition for administrative hearing must contain all of the following information:

- a) The OGC Number assigned to this Consent Order;
- b) The name, address, and telephone number of each petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding;
- c) An explanation of how the petitioner's substantial interests will be affected by the Consent Order;
- d) A statement of when and how the petitioner received notice of the Consent Order;
- e) Either a statement of all material facts disputed by the petitioner or a statement that the petitioner does not dispute any material facts;
- f) A statement of the specific facts the petitioner contends warrant reversal or modification of the Consent Order;
- g) A statement of the rules or statutes the petitioner contends require reversal or modification of the Consent Order; and
- h) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the Department to take with respect to the Consent Order.

The petition must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS# 35, Tallahassee, Florida 32399-3000, or received via electronic correspondence at Agency_Clerk@floridadep.gov, within 21 days of receipt of this notice. A copy of the petition must also be mailed at the time of filing to the District Office at [Insert District Office and Address](#). Failure to file a petition within the 21-day period constitutes a person's waiver of the right to request an administrative hearing and to participate as a party to this proceeding under sections 120.569 and 120.57, Florida Statutes. Before the deadline for filing a petition, a person whose substantial interests are affected by this Consent Order may choose to pursue mediation as an alternative remedy under section 120.573, Florida Statutes. Choosing mediation will not adversely affect such person's right to request an administrative hearing if mediation does not result in a settlement. Additional information about mediation is provided in section 120.573, Florida Statutes and Rule 62-110.106(12), Florida Administrative Code.

23. Rules referenced in this Order are available at:

<http://www.dep.state.fl.us/legal/Rules/rulelist.htm>

FOR THE RESPONDENT:

Mr. Larry O'Steen
President, Neighborhood Utilities, Inc.

Date

FOR DEPARTMENT USE ONLY

DONE AND ORDERED this ____ day of _____ 2021, in Duval, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Gregory J. Strong
District Director
Northeast District

Filed, on this date, pursuant to section 120.52, Fla. Stat., with the designated Department Clerk,
receipt of which is hereby acknowledged.

Clerk

Date

Copies furnished to:

FDEP-OGC: Lea Crandall, Agency Clerk



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

October 25, 2021

CERTIFIED MAIL - RETURN RECEIPT

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, FL 32210

RE: Florida Department of Environmental Protection vs Neighborhood Utilities
OGC Consent Order No. 21-0814
Duval County – Drinking Water Enforcement

Dear Mr. O'Steen:

Enclosed is the Long Form Consent Order to resolve the matter of the Neighborhood Utilities, PWS ID Number 2164279, failing to provide adequate standby power, failing to fix a leak in a high service pump, failing to remove biogrowth in the Well 1 pump housing, and failing to fix a leak in Well pump 1. Please review it and, if acceptable, sign and return the entire original document to this office within 14 days of receipt.

If the Consent Order is not acceptable as written, please respond in writing within 14 days explaining the problems that you have with the document.

If you have any questions concerning the Consent Order, please feel free to contact Shane Tierney at Shane.Tierney@FloridaDEP.gov, by phone at (904) 256-1642. Your cooperation with the Florida Safe Drinking Water Act is appreciated.

Sincerely,

A handwritten signature in blue ink that reads "James R. Maher".

James R. Maher, PE
Assistant Director

Enclosure: LFCO# 21-0814

cc: FDEP-NED: Shane Tierney, Joni Petry, DEP_NED
Melisa Rotteveel, mrotteveel@uswatercorp.net

BEFORE THE STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

STATE OF FLORIDA DEPARTMENT)	IN THE OFFICE OF THE
OF ENVIRONMENTAL PROTECTION)	NORTHEAST DISTRICT
)	
v.)	OGC FILE NO. 21-0814
)	
NEIGHBORHOOD UTILITIES, INC.)	
_____)	

CONSENT ORDER

This Consent Order (“Order”) is entered into between the State of Florida Department of Environmental Protection (“Department”) and Neighborhood Utilities, Inc. (“Respondent”) to reach settlement of certain matters at issue between the Department and Respondent.

The Department finds and Respondent admits the following:

1. The Department is the administrative agency of the State of Florida having the power and duty to protect Florida’s water resources and to administer and enforce the provisions of the Florida Safe Drinking Water Act, Sections 403.850, et seq. Florida Statutes (“Fla. Stat.”), and the rules promulgated and authorized in Title 62, Florida Administrative Code (“Fla. Admin. Code”). The Department has jurisdiction over the matters addressed in this Order.

2. Respondent is a person within the meaning of Section 403.852(5), Fla. Stat.

3. Respondent is the owner of a Community Water System (“System”), PWS No. 2164279, located at 10400 Timber Creek Lane, Jacksonville, Florida, 32202, in Duval County, Florida. The System is serving a population of 1,015 through 405 service connections.

4. The Department finds that the following violations occurred:

a) The System has failed to provide adequate standby power in violation of Rule 62-555.320(14), Fla. Admin. Code. The system has a standby generator that has not been functional since at least February 15, 2017. As noted in a sanitary survey conducted July 1, 2020, the generator had not been fixed up to that date, and the generator remains nonfunctional as an adequate standby power source.

b) During the July 1, 2020 sanitary survey inspection, Department staff observed that the System's "High Service Pump 2" was leaking, in violation of Rule 62-555.350(2), Fla. Admin. Code.

c) During the July 1, 2020 sanitary survey inspection, Department staff observed that the System's "Well 1 Pump" had biogrowth in the pump housing, in violation of Rule 62-555.350(2), Fla. Admin. Code.

d). During the July 1, 2020 sanitary survey inspection, Department staff observed that the System's "Well 1 Pump" was leaking, in violation of Rule 62-555.350(2), Fla. Admin. Code.

Having reached a resolution of the matter, Respondent and the Department mutually agree and it is

ORDERED:

5. Respondent shall comply with the following corrective actions within the stated time periods:

a) Within 15 days of the effective date of this Order, Respondent shall provide adequate standby power that meets all applicable requirements under Rule 62-555.320(14), Fla. Admin. Code, and Respondent shall notify the Department when corrections have been completed. Within 14 days of that notification, Department personnel will conduct a follow-up inspection to verify functionality of the standby power.

b) Within 15 days of the effective date of this Order, Respondent shall repair or replace High Service Pump 2.

c) Within 15 days of the effective date of this Order, Respondent shall clean the pump housing for Well 1 Pump.

d) Within 15 days of the effective date of this Order, Respondent shall repair or replace Well 1 Pump.

6. Within 30 days of the effective date of this Order, Respondent shall pay the Department \$3,500.00 in settlement of the regulatory matters addressed in this Order. This amount includes \$3,000.00 for civil penalties and \$500.00 for costs and expenses incurred by the Department during the investigation of this matter and the preparation and tracking of this

Order. The civil penalties are apportioned as follow: \$500.00 for each violation of Rule 62-555.320(14), Fla. Admin. Code, compounded yearly and totaling \$1,500.00; and \$500.00 for each violation of Rule 62-555.350(2), Fla. Admin. Code, totaling \$1,500.00. The civil penalties collectively amount to \$3,000.00.

7. Respondent agrees to pay the Department stipulated penalties in the amount of \$100.00 per day for each and every day Respondent fails to timely comply with any of the requirements of paragraphs 5 and 6 of this Order. The Department may demand stipulated penalties at any time after violations occur. Respondent shall pay stipulated penalties owed within 30 days of the Department's issuance of written demand for payment and shall do so as further described in paragraph 8, below. Nothing in this paragraph shall prevent the Department from filing suit to specifically enforce any terms of this Order. Any stipulated penalties assessed under this paragraph shall be in addition to the civil penalties agreed to in paragraph 6 of this Order.

8. Respondent shall make all payments required by this Order by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at: <http://www.fldepportal.com/go/pay/>. It will take a number of days after this order becomes final, effective and filed with the Clerk of the Department before ability to make online payment is available.

9. Except as otherwise provided, all submittals and payments required by this Order shall be sent to Department of Environmental Protection, 8800 Baymeadows Way West, Suite 100, Jacksonville, Florida, 32256.

10. Respondent shall allow all authorized representatives of the Department access to the Facility and the Property at reasonable times for the purpose of determining compliance with the terms of this Order and the rules and statutes administered by the Department.

11. In the event of a sale or conveyance of the Facility or of the Property upon which the Facility is located, if all of the requirements of this Order have not been fully satisfied,

Respondent shall, at least 30 days prior to the sale or conveyance of the Facility or Property, (a) notify the Department of such sale or conveyance, (b) provide the name and address of the purchaser, operator, or person(s) in control of the Facility, and (c) provide a copy of this Order with all attachments to the purchaser, operator, or person(s) in control of the Facility. The sale or conveyance of the Facility or the Property does not relieve Respondent of the obligations imposed in this Order.

12. If any event, including administrative or judicial challenges by third parties unrelated to Respondent, occurs which causes delay or the reasonable likelihood of delay in complying with the requirements of this Order, Respondent shall have the burden of proving the delay was or will be caused by circumstances beyond the reasonable control of Respondent and could not have been or cannot be overcome by Respondent's due diligence. Neither economic circumstances nor the failure of a contractor, subcontractor, materialman, or other agent (collectively referred to as "contractor") to whom responsibility for performance is delegated to meet contractually imposed deadlines shall be considered circumstances beyond the control of Respondent (unless the cause of the contractor's late performance was also beyond the contractor's control). Upon occurrence of an event causing delay, or upon becoming aware of a potential for delay, Respondent shall notify the Department by the next working day and shall, within seven calendar days notify the Department in writing of (a) the anticipated length and cause of the delay, (b) the measures taken or to be taken to prevent or minimize the delay, and (c) the timetable by which Respondent intends to implement these measures. If the parties can agree that the delay or anticipated delay has been or will be caused by circumstances beyond the reasonable control of Respondent, the time for performance hereunder shall be extended. The agreement to extend compliance must identify the provision or provisions extended, the new compliance date or dates, and the additional measures Respondent must take to avoid or minimize the delay, if any. Failure of Respondent to comply with the notice requirements of this paragraph in a timely manner constitutes a waiver of Respondent's right to request an extension of time for compliance for those circumstances.

13. The Department, for and in consideration of the complete and timely performance by Respondent of all the obligations agreed to in this Order, hereby conditionally waives its right to seek judicial imposition of damages or civil penalties for the violations described above up to the date of the filing of this Order. This waiver is conditioned upon Respondent's complete compliance with all of the terms of this Order.

14. This Order is a settlement of the Department's civil and administrative authority arising under Florida law to resolve the matters addressed herein. This Order is not a settlement of any criminal liabilities which may arise under Florida law, nor is it a settlement of any violation which may be prosecuted criminally or civilly under federal law. Entry of this Order does not relieve Respondent of the need to comply with applicable federal, state, or local laws, rules, or ordinances.

15. The Department hereby expressly reserves the right to initiate appropriate legal action to address any violations of statutes or rules administered by the Department that are not specifically resolved by this Order.

16. Respondent is fully aware that a violation of the terms of this Order may subject Respondent to judicial imposition of damages, civil penalties up to \$5,000.00 per day per violation, and criminal penalties.

17. Respondent acknowledges and waives its right to an administrative hearing pursuant to sections 120.569 and 120.57, Fla. Stat., on the terms of this Order. Respondent also acknowledges and waives its right to appeal the terms of this Order pursuant to section 120.68, Fla. Stat.

18. Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

19. The terms and conditions set forth in this Order may be enforced in a court of competent jurisdiction pursuant to sections 120.69 and 403.121, Fla. Stat. Failure to comply with the terms of this Order constitutes a violation of section 403.161(1)(b), Fla. Stat.

20. This Consent Order is a final order of the Department pursuant to section 120.52(7), Fla. Stat., and it is final and effective on the date filed with the Clerk of the Department unless a Petition for Administrative Hearing is filed in accordance with Chapter 120, Fla. Stat. Upon the timely filing of a petition, this Consent Order will not be effective until further order of the Department.

Persons who are not parties to this Consent Order, but whose substantial interests are affected by it, have a right to petition for an administrative hearing under sections 120.569 and 120.57, Florida Statutes. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition concerning this Consent Order means that the Department's final action may be different from the position it has taken in the Consent Order.

The petition for administrative hearing must contain all of the following information:

- a) The OGC Number assigned to this Consent Order;
- b) The name, address, and telephone number of each petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding;
- c) An explanation of how the petitioner's substantial interests will be affected by the Consent Order;
- d) A statement of when and how the petitioner received notice of the Consent Order;
- e) Either a statement of all material facts disputed by the petitioner or a statement that the petitioner does not dispute any material facts;
- f) A statement of the specific facts the petitioner contends warrant reversal or modification of the Consent Order;
- g) A statement of the rules or statutes the petitioner contends require reversal or modification of the Consent Order; and
- h) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the Department to take with respect to the Consent Order.

The petition must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS# 35, Tallahassee, Florida 32399-3000, or received via electronic correspondence at Agency_Clerk@floridadep.gov, within 21 days of receipt of this notice. A copy of the petition must also be mailed at the time of filing to the District Office at [Insert District Office and Address](#). Failure to file a petition within the 21-day period constitutes a person's waiver of the right to request an administrative hearing and to participate as a party to this proceeding under sections 120.569 and 120.57, Florida Statutes. Before the deadline for filing a petition, a person whose substantial interests are affected by this Consent Order may choose to pursue mediation as an alternative remedy under section 120.573, Florida Statutes. Choosing mediation will not adversely affect such person's right to request an administrative hearing if mediation does not result in a settlement. Additional information about mediation is provided in section 120.573, Florida Statutes and Rule 62-110.106(12), Florida Administrative Code.

23. Rules referenced in this Order are available at:

<http://www.dep.state.fl.us/legal/Rules/rulelist.htm>

FOR THE RESPONDENT:

Mr. Larry O'Steen
President, Neighborhood Utilities, Inc.

Date

FOR DEPARTMENT USE ONLY

DONE AND ORDERED this ____ day of _____ 2021, in Duval, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Gregory J. Strong
District Director
Northeast District

Filed, on this date, pursuant to section 120.52, Fla. Stat., with the designated Department Clerk,
receipt of which is hereby acknowledged.

Clerk

Date

Copies furnished to:

FDEP-OGC: Lea Crandall, Agency Clerk



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

January 11, 2022

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

SUBJECT: Department of Environmental Protection v. Neighborhood Utilities WTP
OGC File No. 21-0814
PWS ID: 2164279
Duval County – Drinking Water Enforcement

Dear Mr. O'Steen,

The State of Florida Department of Environmental Protection ("Department") finds Neighborhood Utilities, Inc. ("Respondent" or "you") failed to provide adequate standby power in violation of Rule 62-555.320(14), Fla. Admin. Code, and failed to fix a leak in the Well 2 pump in violation of Rule 62-555.350(2), Fla. Admin. Code. Before sending this letter, the Department requested that you undertake certain actions to resolve the violations. These actions have since been completed. However, due to the nature of the violation, you remain subject to civil penalties. Respondent is also responsible for costs incurred by the Department during the investigation of this matter.

The Department's Offer

Based on the violations described above, the Department is seeking \$2,000.00 in civil penalties and \$500.00 for costs and expenses the Department has incurred in investigating this matter, which amounts to a total of \$2,500.00.

Respondent's Acceptance

If you wish to accept this offer and fully resolve this pending enforcement matter, please sign this letter and return it to the Department at 8800 Baymeadows Way West, Suite 100, Jacksonville, Florida, 32256, within 30 calendar days of the receipt of this letter. The Department will then countersign it and file it with a designated clerk of the Department. Once the document is filed with the designated clerk, it will constitute a final order of the Department pursuant to Section 120.52(7), Florida Statutes (Fla. Stat.), and will be effective unless a request for an administrative hearing is filed by a third party in accordance with Chapter 120, Fla. Stat., and the attached Notice of Rights.

By accepting this offer you, Mr. Larry O'Steen:

- (1) certify that you are authorized and empowered to negotiate, enter into, and accept the terms of this offer in the name and on behalf of Respondent;
- (2) acknowledge and waive Respondent's right to an administrative hearing pursuant to Sections 120.569 and 120.57, Fla. Stat., on the terms of this offer, once final;
- (3) acknowledge and waive Respondent's right to an appeal pursuant to Section 120.68, Fla. Stat.; and
- (4) acknowledge that payment of the above amount does not constitute a waiver of the Department's right, if any, to recover emergency response related costs and expenses for this matter.

The Department acknowledges that the Respondent's acceptance of this offer does not constitute an admission of liability for the violation(s) referenced above.

Respondent's Performance

After signing and returning this document to the Department,

- (1) Within 60 days of the effective date of this Order, Respondent shall make payment of \$2,500.00 required by this Order.
- (2) Payments shall be made by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at: <http://www.fldepportal.com/go/pay/>. It will take a number of days after this order is final and effective filed with the Clerk of the Department before ability to make online payment is available.

The Department may enforce the terms of this document, once final, and seek to collect monies owed pursuant to Sections 120.69 and 403.121, Fla. Stat.

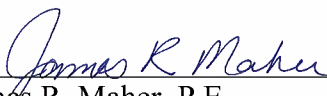
Until clerked by the Department, this letter is only a settlement offer and not a final agency action. Consequently, neither you nor any other party may request an administrative hearing to contest this letter pursuant to Chapter 120, Fla. Stat. Once this letter is clerked and becomes a final order of the Department, as explained above, the attached Notice of Rights will apply to parties, other than you, whose interests will be substantially affected.

Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

Please be aware that if you decline to respond to the Department's offer, the Department will assume that you are not interested in resolving the matter and will proceed accordingly.

If you have any questions, please contact Shane Tierney at (904) 256-1642, or via email at Shane.Tierney@FloridaDEP.gov.

Sincerely,



James R. Maher, P.E.
Assistant Director

FOR THE RESPONDENT:

I, _____ [Type or Print Name], **HEREBY ACCEPT
THE TERMS OF THE SETTLEMENT OFFER IDENTIFIED ABOVE.**

By: _____
[Signature]

Date: _____

Title: _____
President

FOR DEPARTMENT USE ONLY

DONE AND ORDERED this ____ day of _____ 2022, in Duval County, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Gregory J. Strong
District Director
Northeast District

Filed, on this date, pursuant to section 120.52, F.S., with the designated Department Clerk, receipt of which is hereby acknowledged.

Clerk

Date

Attachments: Notice of Rights
 WL20-195

Copies furnished to:
 Lea Crandall, Agency Clerk

NOTICE OF RIGHTS

Persons who are not parties to this Order, but whose substantial interests are affected by it, have a right to petition for an administrative hearing under Sections 120.569 and 120.57, Florida Statutes. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition concerning this Order means that the Department's final action may be different from the position it has taken in the Order.

The petition for administrative hearing must contain all of the following information:

- a) The OGC Number assigned to this Order;
- b) The name, address, and telephone number of each petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding;
- c) An explanation of how the petitioner's substantial interests will be affected by the Order;
- d) A statement of when and how the petitioner received notice of the Order;
- e) Either a statement of all material facts disputed by the petitioner or a statement that the petitioner does not dispute any material facts;
- f) A statement of the specific facts the petitioner contends warrant reversal or modification of the Order;
- g) A statement of the rules or statutes the petitioner contends require reversal or modification of the Order; and
- h) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the Department to take with respect to the Order.

The petition must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS# 35, Tallahassee, Florida 32399-3000 within 21 days of receipt of this notice. A copy of the petition must also be mailed at the time of filing to the District Office at the address indicated above. Failure to file a petition within the 21-day period constitutes a person's waiver of the right to request an administrative hearing and to participate as a party to this proceeding under Sections 120.569 and 120.57, Florida Statutes. Mediation under Section 120.573, Florida Statutes, is not available in this proceeding.



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

September 3, 2020

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

**RE: Warning Letter No. WL20-195
Neighborhood Utilities (Timber Creek)
PWS ID No. 2164279
Duval County – Drinking Water**

Dear Mr. O'Steen:

A sanitary survey inspection was conducted at your system on July 1, 2020. During this inspection, possible violations of Chapter 403, Florida Statutes (Fla. Stat.), and Chapter 62-555, Florida Administrative Code (Fla. Admin. Code), were observed.

During the inspection, Department personnel noted the following:

- High Service Pump 2 was leaking;
- Well Pump 1 was leaking;
- Well Pump 1 had biogrowth in the well casing; and
- The on-site generator was non-functional and has been since at least 2017.

On March 15, 2017, a written Compliance Assistance Offer Letter was issued to you as part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. You failed to respond to the Compliance Assistance Offer Letter within 15 days, or responded as follows:

- Mr. O'Steen stated that he was in the bidding process of replacing the generator. No further information was provided.

On May 28, 2019, a written Warning Letter (WL19-116) was issued to you as a precursor to enforcement. You failed to respond to the Warning Letter within 15 days, or responded as follows:

- Through the operating company U.S. Water Corporation, the company explained that they provided a proposal to the owner for the investigation and repair of standby power, but the owner elected to utilize a different vendor. No further information was provided.

Violations of Florida Statutes or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to Section 403.131, Florida Statutes.

Please contact Matthew Kershner at (904) 256-1649, within 15 days of receipt of this Warning Letter to arrange a meeting to discuss this matter. The Department is interested in receiving any facts that you may which might assist in determining whether any violations have occurred. You may bring anyone with you to the meeting that you feel could help resolve this.

Please be advised that this Warning Letter is part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. We look forward to your cooperation in completing our investigation and resolving this as soon as possible.

Sincerely,



Gregory J. Strong
District Director

Enclosure: Sanitary Survey Inspection Report

cc: FDEP-NED: Matthew Kershner, Joni Petry, Shane Tierney, DEP_NED
Melisa Rotteveel, U.S. Water Corp. - mrotteveel@uswatercorp.com

Florida Department of Environmental Protection

Northeast District Public Water System Sanitary Survey Inspection Report

Water system: Neighborhood Utilities		System PWS #: 2164279	Survey date: 7/1/2020
Facility type class: Community - (5C)		Source type: Ground	4-Log approved: No
Facility address: 10400 Timber Creek Lane, Jacksonville, FL 32202			
Facility phone(s): 904-350-9824		Facility email/fax: wlarryo@hotmail.com	
Facility contact: Mr. Larry O'Steen		Facility contact phone(s): 904-389-0487	
Facility contact email/fax: wlarryo@hotmail.com			
Owner name: Mr. Larry O'Steen		Company name: Neighborhood Utilities Inc	
Owner/Corp address: 4551 Shirley Ave		City: Jacksonville	State: FL Zip: 32210
Owner/Corp phone(s): 904-389-0487		Owner e-contact(s): wlarryo@hotmail.com	
Operator name: Quincy Jones		Certification: C-14369	
Operator phone(s): 866-753-8292		Operator email/fax: rhiggins@uswatercorp.net	
On-site Rep: Quincy Jones	Immediate Action Required?: No		Inspection recap given? Yes

SERVICE AREA CHARACTERISTICS

Neighborhood, MHP

Food Service: Yes No N/A

GENERAL INFORMATION

Number of Service Connections 406
 Population Served 1,015 Basis Owner
 Plant Design Capacity 360,000 gpd
 Basis well pump calibration 6/2008
 Average Day (from MORs) 67,742 gpd
 Max. Day (from MORs) 187,000 gpd
 Total Storage Capacity 41,000 gallons
 Comments 25K GST + 15K Gst + 1/2(2k H tank)

LOCATION

Latitude 30° 16' 47.5125" North
 Longitude 81° 50' 2.2819" West
 GPS: No Date: DPHO 9/25/08
 Directions Take I-95 N to I-10 W to I-295S. From I-295S take the Normandy exit 19 and turn left. Continue for ~4 miles and turn right onto Blair Rd. Go -5 miles and turn left onto Timber Creek Lane. WTP is on the right.

OPERATION & MAINTENANCE

Certified Operator: Yes No Not required
 Plant visits conducted by: Quincy Jones
 O&M Log: Yes No O&M Manual: Yes No
 Visitation Frequency
 Hrs/day: *Required* 0.1 *Actual* 0.2
 Hrs/wk: *Required* 0.6 *Actual* 1.2
 Days/wk: *Required* 6 *Actual* 6
 Non-consecutive Days? Yes No N/A
 MORs submitted regularly? Yes No N/A
 Data missing from MORs? No Yes N/A
Alfred Lewis also operates the plant
C-7228

RAW WATER SOURCE

GROUND; Number of Wells 1
 SURFACE/UDI; Source _____
 PURCHASED from PWS ID # _____
 Emergency Water Source JEA Major Grid
 Emergency Water Capacity 360,000

AUXILIARY POWER SOURCE

Yes None Not Required
 Source Generator
 Capacity of Standby (kW) 250
 Switchover: Automatic Manual
 Standby Plan: Yes No
 Hrs Operated Under Load *N/A
 What equipment does it operate?
 Well pumps _____
 High Service Pumps _____
 Treatment Equipment _____
 Satisfy 1/2 max-day demand? Yes No Unk
 Comments Generator is out of service at
time of inspection

TREATMENT PROCESSES IN USE

Aeration
Hypochlorination
 Is additional treatment needed? Yes No
 If so, for control of what deficiencies?
none

DISTRIBUTION SYSTEM

Flow Measuring Device Flow Meter
 Meter Size & Type Water Specialities 6"
 Meter tested w/i 5 yrs? Yes No Unk N/A
 Backflow Prevention: Yes No
 Cross-connections None noted
 Cross-connection Control Program: Yes No N/A
 Coliform Sampling Plan: Yes No
 Stage 2 DBPs Sampling Plan: Yes No N/A
 Lead & Copper Sampling Plan: Yes No N/A
 Comments Meter tested in Oct 2018

GROUND WATER SOURCE

Well Number (PWS Identification)	2		
Well Name (System Identification)	Well 2		
Year Drilled	1986		
Depth Drilled	1,000'		
Latitude	30° 16' 39.6776" N		
Longitude	81° 50' 2.2241" W		
GPS (Y or N) / Date (if applicable)	Y/2003		
Florida Well ID	AAE0046		
Static Water Level	20'		
Normal Yield (if different than rated capacity)	N/A		
Strainer	Unk		
Length (outside casing)	90'		
Diameter (outside casing)	8"x12"		
Material (outside casing)	Galvanized Steel		
Well Contamination History	None noted		
Is inundation of well possible?	Not Likely		
6' X 6' X 4" Concrete Pad	Ok		
SET BACKS	Septic Tank	> 150'	
	Reuse Water	> 150'	
	WW Plumbing	> 150'	
	Other Sanitary Hazard	> 150'	
PUMP	Type	Vertical Turbine*	
	Manufacturer Name	Peerless	
	Model Number	10LB-2	
	Rated Capacity (gpm)	350	
	Motor Horsepower	10	
Well casing 12" above grade?	Ok		
Well Casing Sanitary Seal	Ok		
Raw Water Sampling Tap	Ok		
Above Ground Check Valve	Ok		
Fence/Housing	Ok		
Well Vent Protection	Artesian		

COMMENTS *Small leak at pump around packing

*Algal growth present inside vert pump housing

CHLORINATION (Disinfection)

Type: Hypo-Chlorination
 Make Stenner 85MGP17 Capacity 17 gpd
 Chlorine Feed Rate Set to 3
 Avg. Amount of Cl₂ gas used N/A
 Chlorine Residuals: Plant 2.2+ Remote 2.12
 Remote tap location Chateau Pines
 DPD Test Kit: On-site With operator
 None Not Used Daily
 Injection Points Into Aerator
 Booster Pump Info n/a
 Comments _____

Chlorine Gas Use Requirements	Chlorine Gas Use		Comments n/a
	YES	NO	
Dual System	<input type="checkbox"/>	<input type="checkbox"/>	
Auto-switchover	<input type="checkbox"/>	<input type="checkbox"/>	
Alarms:			
Loss of Cl ₂ capability	<input type="checkbox"/>	<input type="checkbox"/>	
Loss of Cl ₂ residual	<input type="checkbox"/>	<input type="checkbox"/>	
Cl ₂ leak detection	<input type="checkbox"/>	<input type="checkbox"/>	
Scale	<input type="checkbox"/>	<input type="checkbox"/>	
Chained Cylinders	<input type="checkbox"/>	<input type="checkbox"/>	
Reserve Supply	<input type="checkbox"/>	<input type="checkbox"/>	
Adequate Air-pak	<input type="checkbox"/>	<input type="checkbox"/>	
Sign of Leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Fresh Ammonia	<input type="checkbox"/>	<input type="checkbox"/>	
Ventilation	<input type="checkbox"/>	<input type="checkbox"/>	
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	
Repair Kits	<input type="checkbox"/>	<input type="checkbox"/>	
Fitted Wrench	<input type="checkbox"/>	<input type="checkbox"/>	
Housing/Protection	<input type="checkbox"/>	<input type="checkbox"/>	

AERATION (Gases, Fe, & Mn Removal)

Type Tray Capacity 350 gpm
 Aerator Condition Good
 Bloodworm Presence None
 Visible Algae Growth None
 Protective Screen Condition Good
 Comments _____

STORAGE FACILITIES

(B) Bladder (CW) Clearwell (C) Contact (E) Elevated (G) Ground (H) Hydropneumatic (S.C.) See Comments

Tank Type/Number	H	G1	G2
Capacity (gal)	2000	15K	25K
Material	Steel	Steel	Steel
By-pass Piping	No	Yes	Yes
Gravity Drain	Yes	Yes	Yes
PRV/ARV	PRV	N/A	N/A
Protected Openings	Yes	Yes	Yes
Pressure Gauge	Yes	N/A	N/A
Sight Glass or Level Indicator	S.G.	No	No
Fittings for Sight Glass	Yes	No	No
Access Padlocked	Yes	Yes	Yes
Last Inspection Date (for tanks with access manholes)	2018	2018	2018
On/Off Pressure	40/60	N/A	N/A
Height to Bottom of Elevated Tank	N/A	N/A	N/A
Height to Max. Water Level	N/A	N/A	N/A

Comments _____

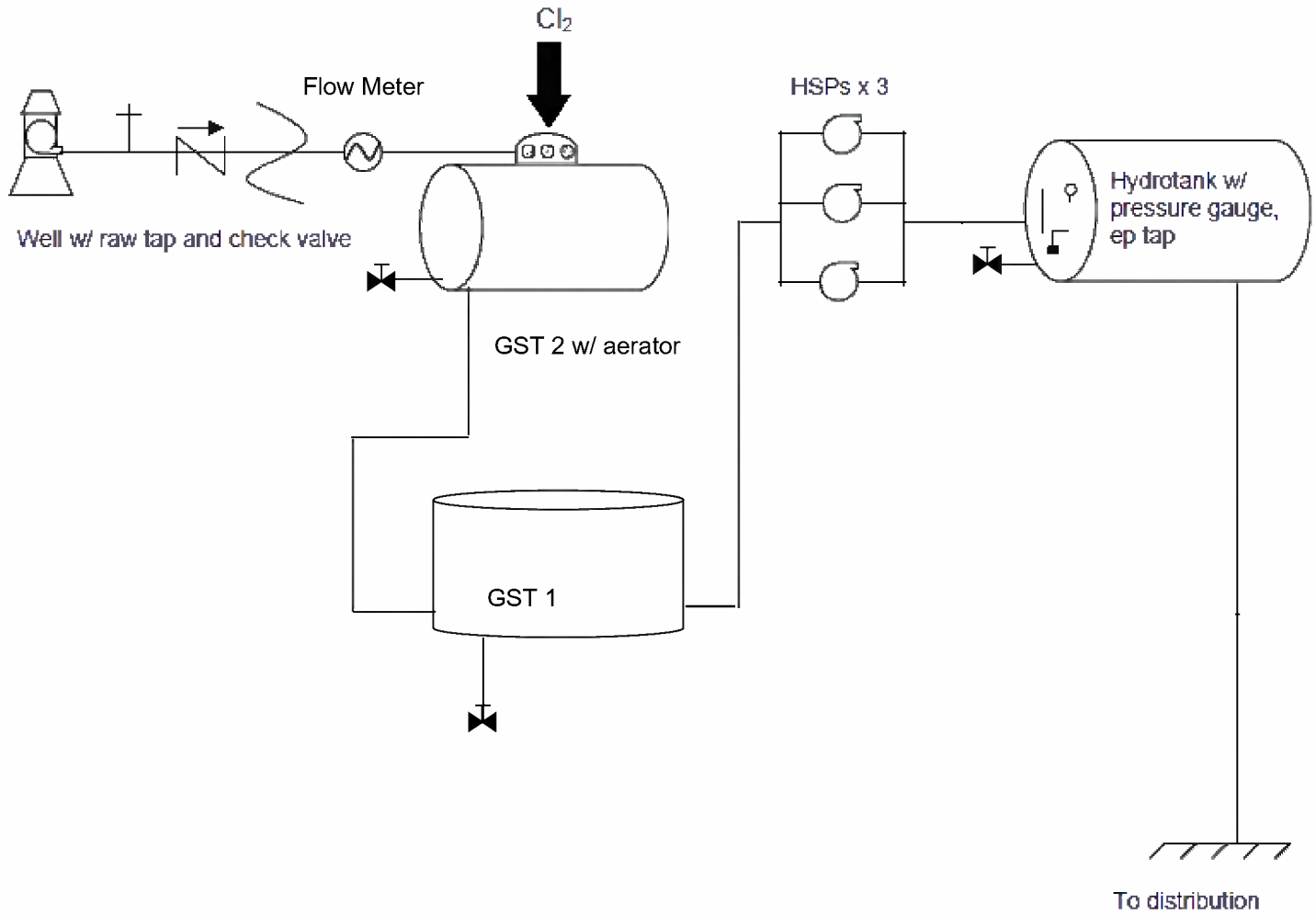
 All 3 tanks are finished water tanks with a manhole and require inspections by a certified engineer.

HIGH SERVICE PUMPS

Pump Number	1	2	3
Type	Centifugal	Centrifugal	Centrifugal
Make	Balder	Emerson	Sterling
Model	DYY2647	R433	C8W0AN-AF
Capacity (gpm)	341	256	256
Motor HP	20	15	15
Date Installed	1995	1995	1995
Maintenance	Ok	Ok	Ok

Comments Leak present on pump 2 check valve

SCHEMATIC (not to scale):



Monitoring Schedule					
Chemical	Next Due	Comments	Chemical	Next Due	Comments
Bacteriologicals	Monthly	2 Distribution and 1 Raw samples	VOCs	2021	
Disinfectant Levels	Monthly	with bactis	SOCs	2021	
Nitrate & Nitrite	2020		Rads	2021	All except Uranium
Inorganics	2021		DBPs	2020	November
Asbestos	2021	or waiver	Pb-Cu	2022	Jun-Sep
Secondaries	2021		WQPs	n/a	

*Sample locations vary. If you have any questions, please contact your inspector.

MONITORING VIOLATIONS	MCL VIOLATIONS
Insufficient distribution samples in Jan 2019	Odor MCL in Dec 2018

DEFICIENCIES:

#	Deficiency	Rule Reference	Corrective Action	Severity	Corrected
1	Pump(s) or valve(s) leaking or not properly functioning. (HSP2)	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
2	Inadequate standby power	62-555.320(14)	Provide adequate standby power.	Minor	No
3	Well 1 Pump is leaking or not properly functioning.	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
4	Well Pump 1 had biogrowth	62-555.350(2)	Thoroughly clean.	Minor	No

Any deficiency marked with an asterisk (*) is a repeat violation.

ADDITIONAL COMMENTS:

Generator has been out of service since at least 2017. A warning letter was issued in May of 2019 for this issue. As a result, the next step will be a enforcement action to compel correction of the deficiency. While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of 62-555.320.

Inspector: 
 Shane Tierney, Environmental Specialist III (904) 256-1642
 shane.tierney@dep.state.fl.us

Approved by: 
 Joni Petry, Environmental Consultant



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

April 1, 2022

Sent electronically to: wlarryo@aol.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirtley Avenue
Jacksonville, Florida 32210

**RE: FDEP vs Neighborhood Utilities, Inc.
Drinking Water Enforcement
OGC Consent Order No. 21-0814**

Dear Mr. O'Steen:

Enclosed is a copy of the executed Consent Order to resolve Case No. 21-0814. April 1, 2022 is the effective date of this Order, and all time frames will be referenced from this date.

As a reminder, a Consent Order is a binding legal document and was voluntarily entered into by both parties.

Should you have any questions or comments, please contact Shane Tierney at (904) 256-1642, or via e-mail at Shane.Tierney@FloridaDEP.gov. Your continued cooperation is appreciated.

Sincerely,

A handwritten signature in blue ink that reads "James R. Maher".

James R. Maher, PE
Assistant Director

Enclosure: Executed CO #21-0814

ec: Lea Crandall, Agency Clerk (Lea.Crandall@FloridaDEP.gov)
Arlene Wilkinson, FDEP NED (Arlene.Wilkinson@FloridaDEP.gov)



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

January 11, 2022

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

SUBJECT: Department of Environmental Protection v. Neighborhood Utilities WTP
OGC File No. 21-0814
PWS ID: 2164279
Duval County – Drinking Water Enforcement

Dear Mr. O'Steen,

The State of Florida Department of Environmental Protection ("Department") finds Neighborhood Utilities, Inc. ("Respondent" or "you") failed to provide adequate standby power in violation of Rule 62-555.320(14), Fla. Admin. Code, and failed to fix a leak in the Well 2 pump in violation of Rule 62-555.350(2), Fla. Admin. Code. Before sending this letter, the Department requested that you undertake certain actions to resolve the violations. These actions have since been completed. However, due to the nature of the violation, you remain subject to civil penalties. Respondent is also responsible for costs incurred by the Department during the investigation of this matter.

The Department's Offer

Based on the violations described above, the Department is seeking \$2,000.00 in civil penalties and \$500.00 for costs and expenses the Department has incurred in investigating this matter, which amounts to a total of \$2,500.00.

Respondent's Acceptance

If you wish to accept this offer and fully resolve this pending enforcement matter, please sign this letter and return it to the Department at 8800 Baymeadows Way West, Suite 100, Jacksonville, Florida, 32256, within 30 calendar days of the receipt of this letter. The Department will then countersign it and file it with a designated clerk of the Department. Once the document is filed with the designated clerk, it will constitute a final order of the Department pursuant to Section 120.52(7), Florida Statutes (Fla. Stat.), and will be effective unless a request for an administrative hearing is filed by a third party in accordance with Chapter 120, Fla. Stat., and the attached Notice of Rights.

By accepting this offer you, Mr. Larry O'Steen:

- (1) certify that you are authorized and empowered to negotiate, enter into, and accept the terms of this offer in the name and on behalf of Respondent;
- (2) acknowledge and waive Respondent's right to an administrative hearing pursuant to Sections 120.569 and 120.57, Fla. Stat., on the terms of this offer, once final;
- (3) acknowledge and waive Respondent's right to an appeal pursuant to Section 120.68, Fla. Stat.; and
- (4) acknowledge that payment of the above amount does not constitute a waiver of the Department's right, if any, to recover emergency response related costs and expenses for this matter.

The Department acknowledges that the Respondent's acceptance of this offer does not constitute an admission of liability for the violation(s) referenced above.

Respondent's Performance

After signing and returning this document to the Department,

- (1) Within 60 days of the effective date of this Order, Respondent shall make payment of \$2,500.00 required by this Order.
- (2) Payments shall be made by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at: <http://www.fldepportal.com/go/pay/>. It will take a number of days after this order is final and effective filed with the Clerk of the Department before ability to make online payment is available.

The Department may enforce the terms of this document, once final, and seek to collect monies owed pursuant to Sections 120.69 and 403.121, Fla. Stat.


Until clerked by the Department, this letter is only a settlement offer and not a final agency action. Consequently, neither you nor any other party may request an administrative hearing to contest this letter pursuant to Chapter 120, Fla. Stat. Once this letter is clerked and becomes a final order of the Department, as explained above, the attached Notice of Rights will apply to parties, other than you, whose interests will be substantially affected.

Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

Please be aware that if you decline to respond to the Department's offer, the Department will assume that you are not interested in resolving the matter and will proceed accordingly.

If you have any questions, please contact Shane Tierney at (904) 256-1642, or via email at Shane.Tierney@FloridaDEP.gov.

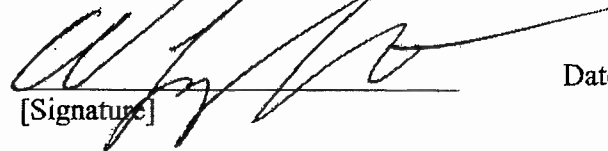
Sincerely,



James R. Maher, P.E.
Assistant Director

FOR THE RESPONDENT:

I, W LARRY O'STEEN [Type or Print Name], HEREBY ACCEPT
THE TERMS OF THE SETTLEMENT OFFER IDENTIFIED ABOVE.

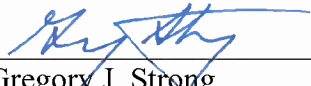
By:  [Signature] Date: MARCH 23, 2022

Title: _____
President ✓

FOR DEPARTMENT USE ONLY


DONE AND ORDERED this 1st day of April 2022, in Duval County, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



Gregory J. Strong
District Director
Northeast District

Filed, on this date, pursuant to section 120.52, F.S., with the designated Department Clerk, receipt of which is hereby acknowledged.



Clerk

April 1, 2022

Date

Attachments: Notice of Rights
 WL20-195

Copies furnished to:
 Lea Crandall, Agency Clerk

NOTICE OF RIGHTS

Persons who are not parties to this Order, but whose substantial interests are affected by it, have a right to petition for an administrative hearing under Sections 120.569 and 120.57, Florida Statutes. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition concerning this Order means that the Department's final action may be different from the position it has taken in the Order.

The petition for administrative hearing must contain all of the following information:

- a) The OGC Number assigned to this Order;
- b) The name, address, and telephone number of each petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding;
- c) An explanation of how the petitioner's substantial interests will be affected by the Order;
- d) A statement of when and how the petitioner received notice of the Order;
- e) Either a statement of all material facts disputed by the petitioner or a statement that the petitioner does not dispute any material facts;
- f) A statement of the specific facts the petitioner contends warrant reversal or modification of the Order;
- g) A statement of the rules or statutes the petitioner contends require reversal or modification of the Order; and
- h) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the Department to take with respect to the Order.

The petition must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS# 35, Tallahassee, Florida 32399-3000 within 21 days of receipt of this notice. A copy of the petition must also be mailed at the time of filing to the District Office at the address indicated above. Failure to file a petition within the 21-day period constitutes a person's waiver of the right to request an administrative hearing and to participate as a party to this proceeding under Sections 120.569 and 120.57, Florida Statutes. Mediation under Section 120.573, Florida Statutes, is not available in this proceeding.



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

September 3, 2020

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

**RE: Warning Letter No. WL20-195
Neighborhood Utilities (Timber Creek)
PWS ID No. 2164279
Duval County – Drinking Water**

Dear Mr. O'Steen:

A sanitary survey inspection was conducted at your system on July 1, 2020. During this inspection, possible violations of Chapter 403, Florida Statutes (Fla. Stat.), and Chapter 62-555, Florida Administrative Code (Fla. Admin. Code), were observed.

During the inspection, Department personnel noted the following:

- High Service Pump 2 was leaking;
- Well Pump 1 was leaking;
- Well Pump 1 had biogrowth in the well casing; and
- The on-site generator was non-functional and has been since at least 2017.

On March 15, 2017, a written Compliance Assistance Offer Letter was issued to you as part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. You failed to respond to the Compliance Assistance Offer Letter within 15 days, or responded as follows:

- Mr. O'Steen stated that he was in the bidding process of replacing the generator. No further information was provided.

On May 28, 2019, a written Warning Letter (WL19-116) was issued to you as a precursor to enforcement. You failed to respond to the Warning Letter within 15 days, or responded as follows:

- Through the operating company U.S. Water Corporation, the company explained that they provided a proposal to the owner for the investigation and repair of standby power, but the owner elected to utilize a different vendor. No further information was provided.

Violations of Florida Statutes or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to Section 403.131, Florida Statutes.

Please contact Matthew Kershner at (904) 256-1649, within 15 days of receipt of this Warning Letter to arrange a meeting to discuss this matter. The Department is interested in receiving any facts that you may which might assist in determining whether any violations have occurred. You may bring anyone with you to the meeting that you feel could help resolve this.

Please be advised that this Warning Letter is part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. We look forward to your cooperation in completing our investigation and resolving this as soon as possible.

Sincerely,



Gregory J. Strong
District Director

Enclosure: Sanitary Survey Inspection Report

cc: FDEP-NED: Matthew Kershner, Joni Petry, Shane Tierney, DEP_NED
Melisa Rotteveel, U.S. Water Corp. - mrotteveel@uswatercorp.com

Florida Department of Environmental Protection

Northeast District Public Water System Sanitary Survey Inspection Report

Water system: Neighborhood Utilities		System PWS #: 2164279	Survey date: 7/1/2020
Facility type class: Community - (5C)		Source type: Ground	4-Log approved: No
Facility address: 10400 Timber Creek Lane, Jacksonville, FL 32202			
Facility phone(s): 904-350-9824		Facility email/fax: wlarryo@hotmail.com	
Facility contact: Mr. Larry O'Steen		Facility contact phone(s): 904-389-0487	
Facility contact email/fax: wlarryo@hotmail.com			
Owner name: Mr. Larry O'Steen		Company name: Neighborhood Utilities Inc	
Owner/Corp address: 4551 Shirley Ave		City: Jacksonville	State: FL Zip: 32210
Owner/Corp phone(s): 904-389-0487		Owner e-contact(s): wlarryo@hotmail.com	
Operator name: Quincy Jones		Certification: C-14369	
Operator phone(s): 866-753-8292		Operator email/fax: rhiggins@uswatercorp.net	
On-site Rep: Quincy Jones	Immediate Action Required?: No		Inspection recap given? Yes

SERVICE AREA CHARACTERISTICS

Neighborhood, MHP

Food Service: Yes No N/A

GENERAL INFORMATION

Number of Service Connections 406
 Population Served 1,015 Basis Owner
 Plant Design Capacity 360,000 gpd
 Basis well pump calibration 6/2008
 Average Day (from MORs) 67,742 gpd
 Max. Day (from MORs) 187,000 gpd
 Total Storage Capacity 41,000 gallons
 Comments 25K GST + 15K Gst + 1/2(2k H tank)

LOCATION

Latitude 30° 16' 47.5125" North
 Longitude 81° 50' 2.2819" West
 GPS: No Date: DPHO 9/25/08
 Directions Take I-95 N to I-10 W to I-295S. From I-295S take the Normandy exit 19 and turn left. Continue for ~4 miles and turn right onto Blair Rd. Go -5 miles and turn left onto Timber Creek Lane. WTP is on the right.

OPERATION & MAINTENANCE

Certified Operator: Yes No Not required
 Plant visits conducted by: Quincy Jones
 O&M Log: Yes No O&M Manual: Yes No
 Visitation Frequency
 Hrs/day: *Required* 0.1 *Actual* 0.2
 Hrs/wk: *Required* 0.6 *Actual* 1.2
 Days/wk: *Required* 6 *Actual* 6
 Non-consecutive Days? Yes No N/A
 MORs submitted regularly? Yes No N/A
 Data missing from MORs? No Yes N/A
Alfred Lewis also operates the plant
C-7228

RAW WATER SOURCE

GROUND; Number of Wells 1
 SURFACE/UDI; Source _____
 PURCHASED from PWS ID # _____
 Emergency Water Source JEA Major Grid
 Emergency Water Capacity 360,000

AUXILIARY POWER SOURCE

Yes None Not Required
 Source Generator
 Capacity of Standby (kW) 250
 Switchover: Automatic Manual
 Standby Plan: Yes No
 Hrs Operated Under Load *N/A
 What equipment does it operate?
 Well pumps _____
 High Service Pumps _____
 Treatment Equipment _____
 Satisfy 1/2 max-day demand? Yes No Unk
 Comments Generator is out of service at
time of inspection

TREATMENT PROCESSES IN USE

Aeration
Hypochlorination
 Is additional treatment needed? Yes No
 If so, for control of what deficiencies?
none

DISTRIBUTION SYSTEM

Flow Measuring Device Flow Meter
 Meter Size & Type Water Specialities 6"
 Meter tested w/i 5 yrs? Yes No Unk N/A
 Backflow Prevention: Yes No
 Cross-connections None noted
 Cross-connection Control Program: Yes No N/A
 Coliform Sampling Plan: Yes No
 Stage 2 DBPs Sampling Plan: Yes No N/A
 Lead & Copper Sampling Plan: Yes No N/A
 Comments Meter tested in Oct 2018

GROUND WATER SOURCE

Well Number (PWS Identification)	2		
Well Name (System Identification)	Well 2		
Year Drilled	1986		
Depth Drilled	1,000'		
Latitude	30° 16' 39.6776" N		
Longitude	81° 50' 2.2241" W		
GPS (Y or N) / Date (if applicable)	Y/2003		
Florida Well ID	AAE0046		
Static Water Level	20'		
Normal Yield (if different than rated capacity)	N/A		
Strainer	Unk		
Length (outside casing)	90'		
Diameter (outside casing)	8"x12"		
Material (outside casing)	Galvanized Steel		
Well Contamination History	None noted		
Is inundation of well possible?	Not Likely		
6' X 6' X 4" Concrete Pad	Ok		
SET BACKS	Septic Tank	> 150'	
	Reuse Water	> 150'	
	WW Plumbing	> 150'	
	Other Sanitary Hazard	> 150'	
PUMP	Type	Vertical Turbine*	
	Manufacturer Name	Peerless	
	Model Number	10LB-2	
	Rated Capacity (gpm)	350	
	Motor Horsepower	10	
Well casing 12" above grade?	Ok		
Well Casing Sanitary Seal	Ok		
Raw Water Sampling Tap	Ok		
Above Ground Check Valve	Ok		
Fence/Housing	Ok		
Well Vent Protection	Artesian		

COMMENTS *Small leak at pump around packing

*Algal growth present inside vert pump housing

CHLORINATION (Disinfection)

Type: Hypo-Chlorination
 Make Stenner 85MGP17 Capacity 17 gpd
 Chlorine Feed Rate Set to 3
 Avg. Amount of Cl₂ gas used N/A
 Chlorine Residuals: Plant 2.2+ Remote 2.12
 Remote tap location Chateau Pines
 DPD Test Kit: On-site With operator
 None Not Used Daily
 Injection Points Into Aerator
 Booster Pump Info n/a
 Comments _____

Chlorine Gas Use Requirements	Chlorine Gas Use		Comments n/a
	YES	NO	
Dual System	<input type="checkbox"/>	<input type="checkbox"/>	
Auto-switchover	<input type="checkbox"/>	<input type="checkbox"/>	
Alarms:			
Loss of Cl ₂ capability	<input type="checkbox"/>	<input type="checkbox"/>	
Loss of Cl ₂ residual	<input type="checkbox"/>	<input type="checkbox"/>	
Cl ₂ leak detection	<input type="checkbox"/>	<input type="checkbox"/>	
Scale	<input type="checkbox"/>	<input type="checkbox"/>	
Chained Cylinders	<input type="checkbox"/>	<input type="checkbox"/>	
Reserve Supply	<input type="checkbox"/>	<input type="checkbox"/>	
Adequate Air-pak	<input type="checkbox"/>	<input type="checkbox"/>	
Sign of Leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Fresh Ammonia	<input type="checkbox"/>	<input type="checkbox"/>	
Ventilation	<input type="checkbox"/>	<input type="checkbox"/>	
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	
Repair Kits	<input type="checkbox"/>	<input type="checkbox"/>	
Fitted Wrench	<input type="checkbox"/>	<input type="checkbox"/>	
Housing/Protection	<input type="checkbox"/>	<input type="checkbox"/>	

AERATION (Gases, Fe, & Mn Removal)

Type Tray Capacity 350 gpm
 Aerator Condition Good
 Bloodworm Presence None
 Visible Algae Growth None
 Protective Screen Condition Good
 Comments _____

STORAGE FACILITIES

(B) Bladder (CW) Clearwell (C) Contact (E) Elevated (G) Ground (H) Hydropneumatic (S.C.) See Comments

Tank Type/Number	H	G1	G2
Capacity (gal)	2000	15K	25K
Material	Steel	Steel	Steel
By-pass Piping	No	Yes	Yes
Gravity Drain	Yes	Yes	Yes
PRV/ARV	PRV	N/A	N/A
Protected Openings	Yes	Yes	Yes
Pressure Gauge	Yes	N/A	N/A
Sight Glass or Level Indicator	S.G.	No	No
Fittings for Sight Glass	Yes	No	No
Access Padlocked	Yes	Yes	Yes
Last Inspection Date (for tanks with access manholes)	2018	2018	2018
On/Off Pressure	40/60	N/A	N/A
Height to Bottom of Elevated Tank	N/A	N/A	N/A
Height to Max. Water Level	N/A	N/A	N/A

Comments _____

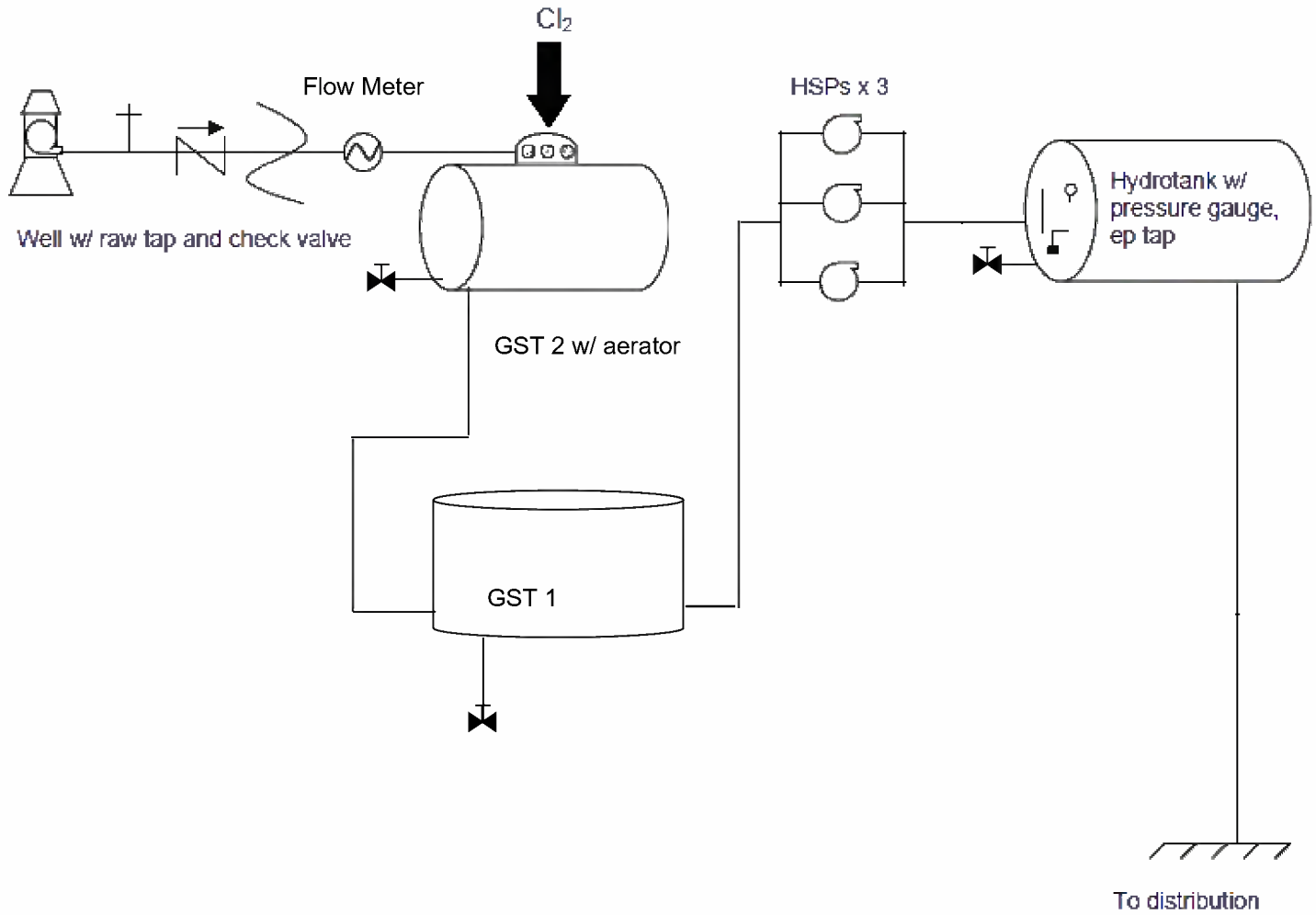
 All 3 tanks are finished water tanks with a manhole and require inspections by a certified engineer.

HIGH SERVICE PUMPS

Pump Number	1	2	3
Type	Centifugal	Centrifugal	Centrifugal
Make	Balder	Emerson	Sterling
Model	DYY2647	R433	C8W0AN-AF
Capacity (gpm)	341	256	256
Motor HP	20	15	15
Date Installed	1995	1995	1995
Maintenance	Ok	Ok	Ok

Comments Leak present on pump 2 check valve

SCHEMATIC (not to scale):



Monitoring Schedule					
Chemical	Next Due	Comments	Chemical	Next Due	Comments
Bacteriologicals	Monthly	2 Distribution and 1 Raw samples	VOCs	2021	
Disinfectant Levels	Monthly	with bactis	SOCs	2021	
Nitrate & Nitrite	2020		Rads	2021	All except Uranium
Inorganics	2021		DBPs	2020	November
Asbestos	2021	or waiver	Pb-Cu	2022	Jun-Sep
Secondaries	2021		WQPs	n/a	

*Sample locations vary. If you have any questions, please contact your inspector.

MONITORING VIOLATIONS	MCL VIOLATIONS
Insufficient distribution samples in Jan 2019	Odor MCL in Dec 2018

DEFICIENCIES:

#	Deficiency	Rule Reference	Corrective Action	Severity	Corrected
1	Pump(s) or valve(s) leaking or not properly functioning. (HSP2)	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
2	Inadequate standby power	62-555.320(14)	Provide adequate standby power.	Minor	No
3	Well 1 Pump is leaking or not properly functioning.	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
4	Well Pump 1 had biogrowth	62-555.350(2)	Thoroughly clean.	Minor	No

Any deficiency marked with an asterisk (*) is a repeat violation.

ADDITIONAL COMMENTS:

Generator has been out of service since at least 2017. A warning letter was issued in May of 2019 for this issue. As a result, the next step will be a enforcement action to compel correction of the deficiency. While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of 62-555.320.

Inspector: 
 Shane Tierney, Environmental Specialist III (904) 256-1642
 shane.tierney@dep.state.fl.us

Approved by: 
 Joni Petry, Environmental Consultant

From: no-reply@dep.state.fl.us
To: bferrell@sfflaw.com
Cc: [DEP_NED](#); [OGC_ESSAOrderPayment](#)
Subject: FDEP Penalty Payment(s) Receipt
Date: Tuesday, June 7, 2022 11:39:17 AM
Attachments: [ATT00001.bin](#)



**FLORIDA DEPARTMENT OF
Environmental Protection**

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

Receipt for Payment

June 07, 2022

OGC Number: **210814**

Receipt
Number: **128009**

Payment(s)
made by: **Bronwyn Ferrell**
Address: **2548 BLAIRSTONE PINES DR**
City, State Zip: **TALLAHASSEE, FL 32301**

On behalf of:

Responsible
Party: **NEIGHBORHOOD UTILITIES, INC.**
LARRY O'STEEN
Address: **4551 SHIRLEY AVENUE**
JACKSONVILLE, FL 32210, US

Thank you for making your scheduled DEP Order Payment(s).

You have paid \$2,500.00. This represents payment of the following scheduled Order Payment(s):

Payment Due Date: 06/02/2022 **\$2,500.00**

Total Paid **\$2,500.00**

If you have any questions, please contact the Office of General Counsel at (850) 245-2268 or by e-mail at OGC_ESSAOrderPayment@dep.state.fl.us.



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

April 1, 2022

Sent electronically to: wlarryo@aol.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirtley Avenue
Jacksonville, Florida 32210

**RE: FDEP vs Neighborhood Utilities, Inc.
Drinking Water Enforcement
OGC Consent Order No. 21-0814**

Dear Mr. O'Steen:

Enclosed is a copy of the executed Consent Order to resolve Case No. 21-0814. April 1, 2022 is the effective date of this Order, and all time frames will be referenced from this date.

As a reminder, a Consent Order is a binding legal document and was voluntarily entered into by both parties.

Should you have any questions or comments, please contact Shane Tierney at (904) 256-1642, or via e-mail at Shane.Tierney@FloridaDEP.gov. Your continued cooperation is appreciated.

Sincerely,

A handwritten signature in blue ink that reads "James R. Maher".

James R. Maher, PE
Assistant Director

Enclosure: Executed CO #21-0814

ec: Lea Crandall, Agency Clerk (Lea.Crandall@FloridaDEP.gov)
Arlene Wilkinson, FDEP NED (Arlene.Wilkinson@FloridaDEP.gov)



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

January 11, 2022

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

SUBJECT: Department of Environmental Protection v. Neighborhood Utilities WTP
OGC File No. 21-0814
PWS ID: 2164279
Duval County – Drinking Water Enforcement

Dear Mr. O'Steen,

The State of Florida Department of Environmental Protection ("Department") finds Neighborhood Utilities, Inc. ("Respondent" or "you") failed to provide adequate standby power in violation of Rule 62-555.320(14), Fla. Admin. Code, and failed to fix a leak in the Well 2 pump in violation of Rule 62-555.350(2), Fla. Admin. Code. Before sending this letter, the Department requested that you undertake certain actions to resolve the violations. These actions have since been completed. However, due to the nature of the violation, you remain subject to civil penalties. Respondent is also responsible for costs incurred by the Department during the investigation of this matter.

The Department's Offer

Based on the violations described above, the Department is seeking \$2,000.00 in civil penalties and \$500.00 for costs and expenses the Department has incurred in investigating this matter, which amounts to a total of \$2,500.00.

Respondent's Acceptance

If you wish to accept this offer and fully resolve this pending enforcement matter, please sign this letter and return it to the Department at 8800 Baymeadows Way West, Suite 100, Jacksonville, Florida, 32256, within 30 calendar days of the receipt of this letter. The Department will then countersign it and file it with a designated clerk of the Department. Once the document is filed with the designated clerk, it will constitute a final order of the Department pursuant to Section 120.52(7), Florida Statutes (Fla. Stat.), and will be effective unless a request for an administrative hearing is filed by a third party in accordance with Chapter 120, Fla. Stat., and the attached Notice of Rights.

By accepting this offer you, Mr. Larry O'Steen:

- (1) certify that you are authorized and empowered to negotiate, enter into, and accept the terms of this offer in the name and on behalf of Respondent;
- (2) acknowledge and waive Respondent's right to an administrative hearing pursuant to Sections 120.569 and 120.57, Fla. Stat., on the terms of this offer, once final;
- (3) acknowledge and waive Respondent's right to an appeal pursuant to Section 120.68, Fla. Stat.; and
- (4) acknowledge that payment of the above amount does not constitute a waiver of the Department's right, if any, to recover emergency response related costs and expenses for this matter.

The Department acknowledges that the Respondent's acceptance of this offer does not constitute an admission of liability for the violation(s) referenced above.

Respondent's Performance

After signing and returning this document to the Department,

- (1) Within 60 days of the effective date of this Order, Respondent shall make payment of \$2,500.00 required by this Order.
- (2) Payments shall be made by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at: <http://www.fldepportal.com/go/pay/>. It will take a number of days after this order is final and effective filed with the Clerk of the Department before ability to make online payment is available.

The Department may enforce the terms of this document, once final, and seek to collect monies owed pursuant to Sections 120.69 and 403.121, Fla. Stat.


Until clerked by the Department, this letter is only a settlement offer and not a final agency action. Consequently, neither you nor any other party may request an administrative hearing to contest this letter pursuant to Chapter 120, Fla. Stat. Once this letter is clerked and becomes a final order of the Department, as explained above, the attached Notice of Rights will apply to parties, other than you, whose interests will be substantially affected.

Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

Please be aware that if you decline to respond to the Department's offer, the Department will assume that you are not interested in resolving the matter and will proceed accordingly.

If you have any questions, please contact Shane Tierney at (904) 256-1642, or via email at Shane.Tierney@FloridaDEP.gov.

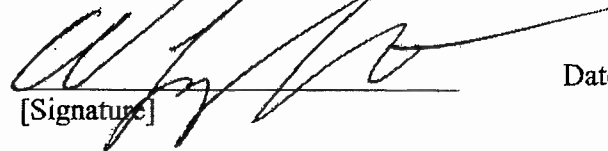
Sincerely,



James R. Maher, P.E.
Assistant Director

FOR THE RESPONDENT:

I, W LARRY O'STEEN [Type or Print Name], HEREBY ACCEPT
THE TERMS OF THE SETTLEMENT OFFER IDENTIFIED ABOVE.

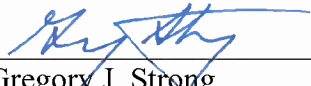
By: 
[Signature] Date: MARCH 23, 2022

Title: _____
President ✓

FOR DEPARTMENT USE ONLY


DONE AND ORDERED this 1st day of April 2022, in Duval County, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



Gregory J. Strong
District Director
Northeast District

Filed, on this date, pursuant to section 120.52, F.S., with the designated Department Clerk, receipt of which is hereby acknowledged.



Clerk

April 1, 2022

Date

Attachments: Notice of Rights
 WL20-195

Copies furnished to:
 Lea Crandall, Agency Clerk

NOTICE OF RIGHTS

Persons who are not parties to this Order, but whose substantial interests are affected by it, have a right to petition for an administrative hearing under Sections 120.569 and 120.57, Florida Statutes. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition concerning this Order means that the Department's final action may be different from the position it has taken in the Order.

The petition for administrative hearing must contain all of the following information:

- a) The OGC Number assigned to this Order;
- b) The name, address, and telephone number of each petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding;
- c) An explanation of how the petitioner's substantial interests will be affected by the Order;
- d) A statement of when and how the petitioner received notice of the Order;
- e) Either a statement of all material facts disputed by the petitioner or a statement that the petitioner does not dispute any material facts;
- f) A statement of the specific facts the petitioner contends warrant reversal or modification of the Order;
- g) A statement of the rules or statutes the petitioner contends require reversal or modification of the Order; and
- h) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the Department to take with respect to the Order.

The petition must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS# 35, Tallahassee, Florida 32399-3000 within 21 days of receipt of this notice. A copy of the petition must also be mailed at the time of filing to the District Office at the address indicated above. Failure to file a petition within the 21-day period constitutes a person's waiver of the right to request an administrative hearing and to participate as a party to this proceeding under Sections 120.569 and 120.57, Florida Statutes. Mediation under Section 120.573, Florida Statutes, is not available in this proceeding.



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

September 3, 2020

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

**RE: Warning Letter No. WL20-195
Neighborhood Utilities (Timber Creek)
PWS ID No. 2164279
Duval County – Drinking Water**

Dear Mr. O'Steen:

A sanitary survey inspection was conducted at your system on July 1, 2020. During this inspection, possible violations of Chapter 403, Florida Statutes (Fla. Stat.), and Chapter 62-555, Florida Administrative Code (Fla. Admin. Code), were observed.

During the inspection, Department personnel noted the following:

- High Service Pump 2 was leaking;
- Well Pump 1 was leaking;
- Well Pump 1 had biogrowth in the well casing; and
- The on-site generator was non-functional and has been since at least 2017.

On March 15, 2017, a written Compliance Assistance Offer Letter was issued to you as part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. You failed to respond to the Compliance Assistance Offer Letter within 15 days, or responded as follows:

- Mr. O'Steen stated that he was in the bidding process of replacing the generator. No further information was provided.

On May 28, 2019, a written Warning Letter (WL19-116) was issued to you as a precursor to enforcement. You failed to respond to the Warning Letter within 15 days, or responded as follows:

- Through the operating company U.S. Water Corporation, the company explained that they provided a proposal to the owner for the investigation and repair of standby power, but the owner elected to utilize a different vendor. No further information was provided.

Violations of Florida Statutes or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to Section 403.131, Florida Statutes.

Please contact Matthew Kershner at (904) 256-1649, within 15 days of receipt of this Warning Letter to arrange a meeting to discuss this matter. The Department is interested in receiving any facts that you may which might assist in determining whether any violations have occurred. You may bring anyone with you to the meeting that you feel could help resolve this.

Please be advised that this Warning Letter is part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. We look forward to your cooperation in completing our investigation and resolving this as soon as possible.

Sincerely,



Gregory J. Strong
District Director

Enclosure: Sanitary Survey Inspection Report

cc: FDEP-NED: Matthew Kershner, Joni Petry, Shane Tierney, DEP_NED
Melisa Rotteveel, U.S. Water Corp. - mrotteveel@uswatercorp.com

Florida Department of Environmental Protection

Northeast District Public Water System Sanitary Survey Inspection Report

Water system: Neighborhood Utilities		System PWS #: 2164279	Survey date: 7/1/2020
Facility type class: Community - (5C)		Source type: Ground	4-Log approved: No
Facility address: 10400 Timber Creek Lane, Jacksonville, FL 32202			
Facility phone(s): 904-350-9824		Facility email/fax: wlarryo@hotmail.com	
Facility contact: Mr. Larry O'Steen		Facility contact phone(s): 904-389-0487	
Facility contact email/fax: wlarryo@hotmail.com			
Owner name: Mr. Larry O'Steen		Company name: Neighborhood Utilities Inc	
Owner/Corp address: 4551 Shirley Ave		City: Jacksonville	State: FL Zip: 32210
Owner/Corp phone(s): 904-389-0487		Owner e-contact(s): wlarryo@hotmail.com	
Operator name: Quincy Jones		Certification: C-14369	
Operator phone(s): 866-753-8292		Operator email/fax: rhiggins@uswatercorp.net	
On-site Rep: Quincy Jones	Immediate Action Required?: No		Inspection recap given? Yes

SERVICE AREA CHARACTERISTICS

Neighborhood, MHP

Food Service: Yes No N/A

GENERAL INFORMATION

Number of Service Connections 406
 Population Served 1,015 Basis Owner
 Plant Design Capacity 360,000 gpd
 Basis well pump calibration 6/2008
 Average Day (from MORs) 67,742 gpd
 Max. Day (from MORs) 187,000 gpd
 Total Storage Capacity 41,000 gallons
 Comments 25K GST + 15K Gst + 1/2(2k H tank)

LOCATION

Latitude 30° 16' 47.5125" North
 Longitude 81° 50' 2.2819" West
 GPS: No Date: DPHO 9/25/08
 Directions Take I-95 N to I-10 W to I-295S. From I-295S take the Normandy exit 19 and turn left. Continue for ~4 miles and turn right onto Blair Rd. Go -5 miles and turn left onto Timber Creek Lane. WTP is on the right.

OPERATION & MAINTENANCE

Certified Operator: Yes No Not required
 Plant visits conducted by: Quincy Jones
 O&M Log: Yes No O&M Manual: Yes No
 Visitation Frequency
 Hrs/day: *Required* 0.1 *Actual* 0.2
 Hrs/wk: *Required* 0.6 *Actual* 1.2
 Days/wk: *Required* 6 *Actual* 6
 Non-consecutive Days? Yes No N/A
 MORs submitted regularly? Yes No N/A
 Data missing from MORs? No Yes N/A
Alfred Lewis also operates the plant
C-7228

RAW WATER SOURCE

GROUND; Number of Wells 1
 SURFACE/UDI; Source _____
 PURCHASED from PWS ID # _____
 Emergency Water Source JEA Major Grid
 Emergency Water Capacity 360,000

AUXILIARY POWER SOURCE

Yes None Not Required
 Source Generator
 Capacity of Standby (kW) 250
 Switchover: Automatic Manual
 Standby Plan: Yes No
 Hrs Operated Under Load *N/A
 What equipment does it operate?
 Well pumps _____
 High Service Pumps _____
 Treatment Equipment _____
 Satisfy 1/2 max-day demand? Yes No Unk
 Comments Generator is out of service at
time of inspection

TREATMENT PROCESSES IN USE

Aeration
Hypochlorination
 Is additional treatment needed? Yes No
 If so, for control of what deficiencies?
none

DISTRIBUTION SYSTEM

Flow Measuring Device Flow Meter
 Meter Size & Type Water Specialities 6"
 Meter tested w/i 5 yrs? Yes No Unk N/A
 Backflow Prevention: Yes No
 Cross-connections None noted
 Cross-connection Control Program: Yes No N/A
 Coliform Sampling Plan: Yes No
 Stage 2 DBPs Sampling Plan: Yes No N/A
 Lead & Copper Sampling Plan: Yes No N/A
 Comments Meter tested in Oct 2018

GROUND WATER SOURCE

Well Number (PWS Identification)	2		
Well Name (System Identification)	Well 2		
Year Drilled	1986		
Depth Drilled	1,000'		
Latitude	30° 16' 39.6776" N		
Longitude	81° 50' 2.2241" W		
GPS (Y or N) / Date (if applicable)	Y/2003		
Florida Well ID	AAE0046		
Static Water Level	20'		
Normal Yield (if different than rated capacity)	N/A		
Strainer	Unk		
Length (outside casing)	90'		
Diameter (outside casing)	8"x12"		
Material (outside casing)	Galvanized Steel		
Well Contamination History	None noted		
Is inundation of well possible?	Not Likely		
6' X 6' X 4" Concrete Pad	Ok		
SET BACKS	Septic Tank	> 150'	
	Reuse Water	> 150'	
	WW Plumbing	> 150'	
	Other Sanitary Hazard	> 150'	
PUMP	Type	Vertical Turbine*	
	Manufacturer Name	Peerless	
	Model Number	10LB-2	
	Rated Capacity (gpm)	350	
	Motor Horsepower	10	
Well casing 12" above grade?	Ok		
Well Casing Sanitary Seal	Ok		
Raw Water Sampling Tap	Ok		
Above Ground Check Valve	Ok		
Fence/Housing	Ok		
Well Vent Protection	Artesian		

COMMENTS *Small leak at pump around packing

*Algal growth present inside vert pump housing

CHLORINATION (Disinfection)

Type: Hypo-Chlorination
 Make Stenner 85MGP17 Capacity 17 gpd
 Chlorine Feed Rate Set to 3
 Avg. Amount of Cl₂ gas used N/A
 Chlorine Residuals: Plant 2.2+ Remote 2.12
 Remote tap location Chateau Pines
 DPD Test Kit: On-site With operator
 None Not Used Daily
 Injection Points Into Aerator
 Booster Pump Info n/a
 Comments _____

Chlorine Gas Use Requirements	Chlorine Gas Use Requirements		Comments n/a
	YES	NO	
Dual System	<input type="checkbox"/>	<input type="checkbox"/>	
Auto-switchover	<input type="checkbox"/>	<input type="checkbox"/>	
Alarms:			
Loss of Cl ₂ capability	<input type="checkbox"/>	<input type="checkbox"/>	
Loss of Cl ₂ residual	<input type="checkbox"/>	<input type="checkbox"/>	
Cl ₂ leak detection	<input type="checkbox"/>	<input type="checkbox"/>	
Scale	<input type="checkbox"/>	<input type="checkbox"/>	
Chained Cylinders	<input type="checkbox"/>	<input type="checkbox"/>	
Reserve Supply	<input type="checkbox"/>	<input type="checkbox"/>	
Adequate Air-pak	<input type="checkbox"/>	<input type="checkbox"/>	
Sign of Leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Fresh Ammonia	<input type="checkbox"/>	<input type="checkbox"/>	
Ventilation	<input type="checkbox"/>	<input type="checkbox"/>	
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	
Repair Kits	<input type="checkbox"/>	<input type="checkbox"/>	
Fitted Wrench	<input type="checkbox"/>	<input type="checkbox"/>	
Housing/Protection	<input type="checkbox"/>	<input type="checkbox"/>	

AERATION (Gases, Fe, & Mn Removal)

Type Tray Capacity 350 gpm
 Aerator Condition Good
 Bloodworm Presence None
 Visible Algae Growth None
 Protective Screen Condition Good
 Comments _____

STORAGE FACILITIES

(B) Bladder (CW) Clearwell (C) Contact (E) Elevated (G) Ground (H) Hydropneumatic (S.C.) See Comments

Tank Type/Number	H	G1	G2
Capacity (gal)	2000	15K	25K
Material	Steel	Steel	Steel
By-pass Piping	No	Yes	Yes
Gravity Drain	Yes	Yes	Yes
PRV/ARV	PRV	N/A	N/A
Protected Openings	Yes	Yes	Yes
Pressure Gauge	Yes	N/A	N/A
Sight Glass or Level Indicator	S.G.	No	No
Fittings for Sight Glass	Yes	No	No
Access Padlocked	Yes	Yes	Yes
Last Inspection Date (for tanks with access manholes)	2018	2018	2018
On/Off Pressure	40/60	N/A	N/A
Height to Bottom of Elevated Tank	N/A	N/A	N/A
Height to Max. Water Level	N/A	N/A	N/A

Comments _____

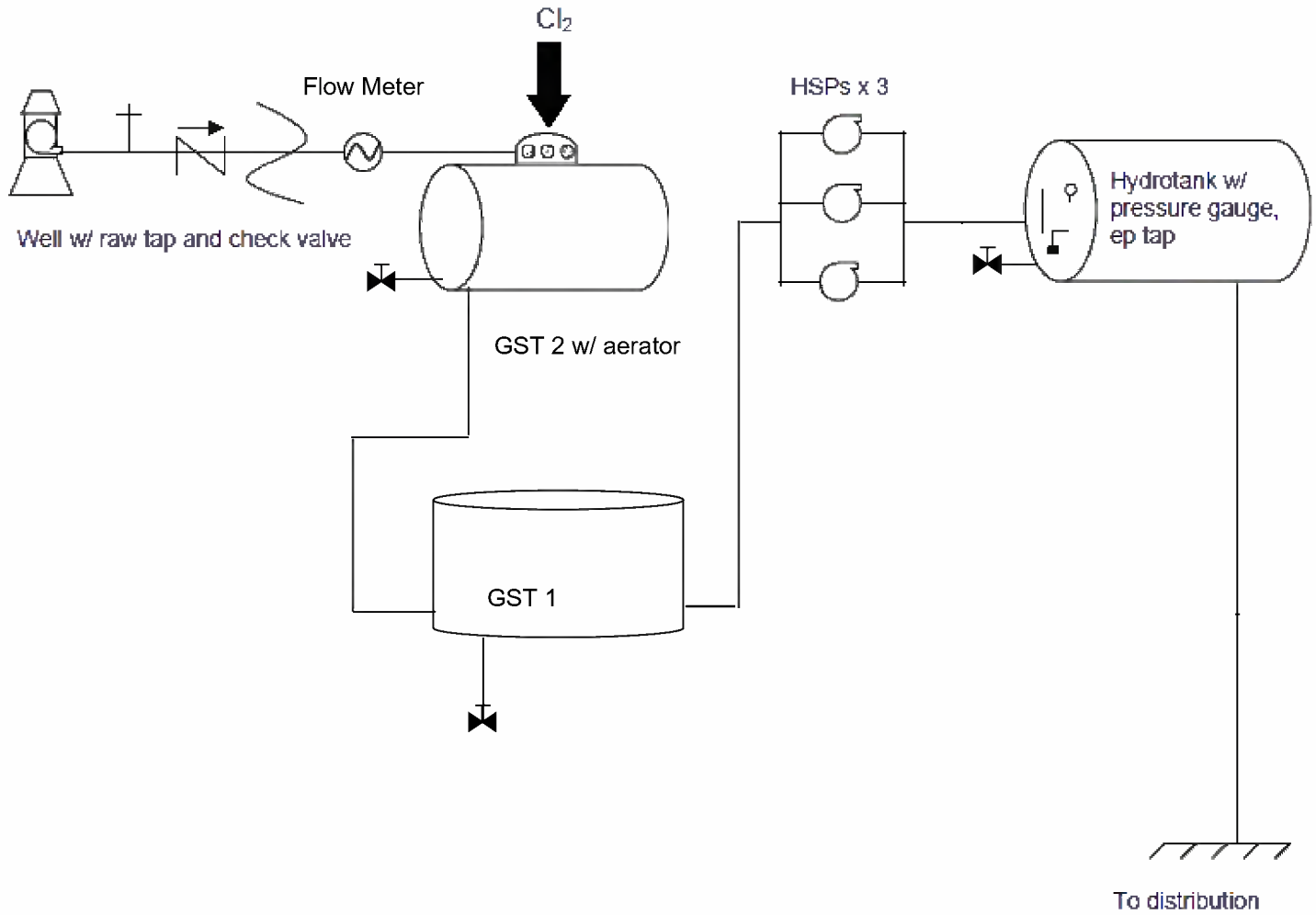
 All 3 tanks are finished water tanks with a manhole and require inspections by a certified engineer.

HIGH SERVICE PUMPS

Pump Number	1	2	3
Type	Centifugal	Centrifugal	Centrifugal
Make	Balder	Emerson	Sterling
Model	DYY2647	R433	C8W0AN-AF
Capacity (gpm)	341	256	256
Motor HP	20	15	15
Date Installed	1995	1995	1995
Maintenance	Ok	Ok	Ok

Comments Leak present on pump 2 check valve

SCHEMATIC (not to scale):



Monitoring Schedule					
Chemical	Next Due	Comments	Chemical	Next Due	Comments
Bacteriologicals	Monthly	2 Distribution and 1 Raw samples	VOCs	2021	
Disinfectant Levels	Monthly	with bactis	SOCs	2021	
Nitrate & Nitrite	2020		Rads	2021	All except Uranium
Inorganics	2021		DBPs	2020	November
Asbestos	2021	or waiver	Pb-Cu	2022	Jun-Sep
Secondaries	2021		WQPs	n/a	

*Sample locations vary. If you have any questions, please contact your inspector.

MONITORING VIOLATIONS	MCL VIOLATIONS
Insufficient distribution samples in Jan 2019	Odor MCL in Dec 2018

DEFICIENCIES:

#	Deficiency	Rule Reference	Corrective Action	Severity	Corrected
1	Pump(s) or valve(s) leaking or not properly functioning. (HSP2)	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
2	Inadequate standby power	62-555.320(14)	Provide adequate standby power.	Minor	No
3	Well 1 Pump is leaking or not properly functioning.	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
4	Well Pump 1 had biogrowth	62-555.350(2)	Thoroughly clean.	Minor	No

Any deficiency marked with an asterisk (*) is a repeat violation.

ADDITIONAL COMMENTS:

Generator has been out of service since at least 2017. A warning letter was issued in May of 2019 for this issue. As a result, the next step will be a enforcement action to compel correction of the deficiency. While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of 62-555.320.

Inspector: 
 Shane Tierney, Environmental Specialist III (904) 256-1642
 shane.tierney@dep.state.fl.us

Approved by: 
 Joni Petry, Environmental Consultant

EXHIBIT 4

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

OFFICIAL COPY
Public Service Commission
Do Not Remove From This Office

ANNUAL REPORT

WU383-17-AR

Neighborhood Utilities, Inc.
Exact Legal Name of Respondent

430-W
Certificate Number(s)

Submitted To The
STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2017

Revised 5/24/2016

Form PSC/AFD 006-W (Rev. 12/99)

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION

2018 MAY -3 AM 8:10

ASSOCIATION OF
PUBLIC UTILITIES
AND COMMUNICATIONS
INDUSTRIES

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Neighborhood Utilities, Inc.

(EXACT NAME OF UTILITY)

1381 Cassat Ave Jacksonville, FL 32205		same	
Mailing Address		Street Address	County
Telephone Number	904-387-0487	Date Utility First Organized	1982
Fax Number		E-mail Address	wlarryo@hotmail.com
Sunshine State One-Call of Florida, Inc. Member No.		____ NU1026	

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual
 Sub Chapter S Corporation
 1120 Corporation
 Partnership

Name, Address and phone where records are located: above

Name of subdivisions where services are provided: Timber Creek, Victoria Forest, Cherokee Cove, Chaffee Pines MHP

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Person who prepared this report: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Officers and Managers: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	\$ 27,600
<u>Dorothy J O'Steen</u>	<u>VP</u>	<u>above</u>	\$ 680
<u>Tara S Mebane</u>	<u>VP</u>	<u>above</u>	\$ 0
			\$
			\$

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>W Larry O'Steen</u>	<u>100</u>	<u>above</u>	\$ 26,400
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_-----		\$ 173,477	_____	_____	173,477
Commercial_-----		3,957	_____	_____	3,957
Industrial_-----		_____	_____	_____	_____
Multiple Family_-----		_____	_____	_____	_____
Guaranteed Revenues_-----		_____	_____	_____	_____
Other (Specify)_-----		2,123	_____	_____	2,123
Total Gross Revenue_-----		\$ 179,557	_____	_____	179,557
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 136,080	_____	_____	136,080
Depreciation Expense_-----	F-5	23,264	_____	_____	23,264
CIAC Amortization Expense_-----	F-8	-7,938	_____	_____	-7,938
Taxes Other Than Income_-----	F-7	17,884	_____	_____	17,884
Income Taxes_-----	F-7	0	_____	_____	0
Total Operating Expense		\$ 169,290	_____	_____	169,290
Net Operating Income (Loss)		\$ 10,267	_____	_____	10,267
Other Income:					
Nonutility Income_-----		\$ _____	_____	_____	_____
undocumented Liab. Adjust.		_____	_____	_____	_____
-----		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_ life ins		\$ 3,246	_____	_____	3,246
Interest Expense_-----		6,927	_____	_____	6,927
-----		_____	_____	_____	_____
-----		_____	_____	_____	_____
Net Income (Loss)		\$ 94	_____	_____	94

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>673155</u>	\$ <u>673005</u>
Accumulated Depreciation and Amortization (108)_____	F-5,W-2,S-2	<u>494094</u>	<u>470830</u>
Net Utility Plant_____		\$ <u>179061</u>	\$ <u>202175</u>
Cash_____		<u>17169</u>	<u>-3199</u>
Customer Accounts Receivable (141)_____		<u>14838</u>	<u>10535</u>
Other Assets (Specify):_____			

Total Assets_____		\$ <u>211068</u>	<u>209511</u>
Liabilities and Capital:			
Common Stock Issued (201)_____	F-6	<u>200</u>	<u>200</u>
Preferred Stock Issued (204)_____	F-6		
Other Paid in Capital (211)_____		<u>21300</u>	<u>21300</u>
Retained Earnings (215)_____	F-6	<u>-98806</u>	<u>-98900</u>
Proprietary Capital (Proprietary and partnership only) (218)_____	F-6		
Total Capital_____		\$ <u>-77306</u>	<u>-77400</u>
Long Term Debt (224)_____	F-6	\$ _____	\$ _____
Accounts Payable (231)_____		<u>20756</u>	<u>22967</u>
Notes Payable (232)_____		<u>88131</u>	<u>97745</u>
Customer Deposits (235)_____		<u>11218</u>	<u>9567</u>
Accrued Taxes (236)_____		<u>17884</u>	<u>12722</u>
Other Liabilities (Specify)_____		<u>66016</u>	<u>51603</u>

Advances for Construction_____			
Contributions in Aid of Construction - Net (271-272)_____	F-8	<u>84369</u>	<u>92307</u>
Total Liabilities and Capital_____		\$ <u>211068</u>	<u>209511</u>

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2017

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>673155</u>	\$ _____	\$ _____	\$ <u>673155</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>673155</u>	\$ _____	\$ _____	\$ <u>673155</u>

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108				
Balance First of Year _____	\$ <u>470830</u>	_____	_____	<u>470830</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ <u>23264</u>	_____	_____	<u>23264</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ _____	_____	_____	_____
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	_____	_____	_____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	_____	_____	_____
Balance End of Year _____	\$ <u>494094</u>	_____	_____	<u>494094</u>

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	200	_____
Total par value of stock issued _____	200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	-98900
Changes during the year (Specify): income- F-1 _____	_____	94
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	-98806

PROPRIETARY CAPITAL (218)

Balance first of year _____	\$ _____	_____
Changes during the year (Specify): _____	_____	_____
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	_____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):		
_____		_____
_____		_____
_____		_____
Total _____		_____

UTILITY NAME: Neighborhood Utilities, Inc.

<p>YEAR OF REPORT DECEMBER 31, 2017</p>

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	0			0
Taxes Other Than Income:				
State ad valorem tax _____	0			0
Local property tax _____	5750			5750
Regulatory assessment fee _____	8080			8080
Other (Specify)_Bus Lic _____	787			787
Payroll _____	3267			3267
Total Tax Expense _____	\$ 17884			17884

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
U S WATER	\$ 29371	\$ _____	WTP OPERATIONS
W L O'STEEN	\$ 27600	\$ _____	MANAGEMENT
W L O'STEEN	\$ 3960	\$ _____	GENERATOR LEASE
J W STONE	\$ 1800	\$ _____	OFFICE AND ACCOUNTS
MANUEL SHILON	\$ 700	\$ _____	WTP MAINT
MENAVA	\$ 1955	\$ _____	CPA
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2017

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>269576</u>	\$ _____	\$ <u>269576</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	<u>269576</u>	_____	<u>269576</u>
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	<u>269576</u>	_____	<u>269576</u>
6) Less Accumulated Amortization _____	<u>185207</u>	_____	<u>185207</u>
7) Net CIAC _____	<u>\$ 84369</u>	<u>\$ _____</u>	<u>\$ 84369</u>

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
capacity meter	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>177269</u>	\$ _____	\$ <u>177269</u>
Add Debits During Year: _____	<u>7938</u>	_____	<u>7938</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	<u>\$ 185207</u>	<u>\$ _____</u>	<u>\$ 185207</u>

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	<u>100.00</u> %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order Number approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions * (d)	Retirements * (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
303	Land and Land Rights _____	1000	_____	_____	1000
304	Structures and Improvements _____	14967	_____	_____	14967
305	Collecting and Impounding Reservoirs _____	90940	_____	_____	90940
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	45388	_____	_____	45388
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	5505	_____	_____	5505
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	56878	_____	_____	56878
320	Water Treatment Equipment _____	33508	_____	_____	33508
330	Distribution Reservoirs and Standpipes _____	30830	_____	_____	30830
331	Transmission and Distribution Lines _____	245510	_____	_____	245510
333	Services _____	64444	_____	_____	64444
334	Meters and Meter Installations _____	32588	450	300	32738
335	Hydrants _____	35812	_____	_____	35812
336	Backflow Prevention Devices _____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment _____	13921	_____	_____	13921
340	Office Furniture and Equipment _____	1714	_____	_____	1714
341	Transportation Equipment _____	_____	_____	_____	_____
342	Stores Equipment _____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	_____	_____	_____	_____
348	Other Tangible Plant _____	_____	_____	_____	_____
	Total Water Plant _____	\$ 673005	\$ 450 *	300 *	\$ 673155

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	3.7 %	\$ 10361		554	10915
305	Collecting and Impounding Reservoirs		%	2.5 %	69834		2274	72108
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	3.7 %	47068		1680	48748
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	3.125 %	258		172	430
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	5.88 %	53285		3344	56629
320	Water Treatment Equipment		%	5.88 %	21567		1970	23537
330	Distribution Reservoirs & Standpipes		%	3.03 %	8903		932	9835
331	Trans. & Dist. Mains		%	2.63 %	168846		6432	175278
333	Services		%	2.86 %	31505		1944	33449
334	Meter & Meter Installations		%	5.88 %	24714		2242	26956
335	Hydrants		%	2.5 %	30411		896	31307
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	5 %	3501		710	4211
340	Office Furniture and Equipment		%	6.67 %	577		114	691
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 470830		23264	494094 *

* This amount should tie to Sheet F-5.

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 19076
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	27600
604	Employee Pensions and Benefits	0
610	Purchased Water	0
615	Purchased Power	5754
616	Fuel for Power Production	0
618	Chemicals	5020
620	Materials and Supplies	12176
630	Contractual Services:	
	Billing	
	Professional	
	Testing	2997
	Other	21354
640	Rents	15325
650	Transportation Expense	2827
655	Insurance Expense	4884
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	19067
	Total Water Operation And Maintenance Expense	\$ 136080 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	394	389	389
3/4"	D	1.5			
1"	D	2.5	51	48	120
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	2	2	5
1 1/2"	D,T	5.0	2	2	10
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
** D = Displacement C = Compound T = Turbine					
Total			<u>449</u>	<u>441</u>	<u>524</u>

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

SYSTEM NAME: _____ Timber Creek

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January_____	_____	2401	_____	2401	2283
February_____	_____	2159	_____	2159	1963
March_____	_____	2322	_____	2322	2115
April_____	_____	2677	_____	2677	2459
May_____	_____	2818	_____	2818	2590
June_____	_____	2027	_____	2027	2477
July_____	_____	2049	_____	2049	1891
August_____	_____	2420	_____	2420	2015
September_____	_____	2400	_____	2400	1923
October_____	_____	2178	_____	2178	2000
November_____	_____	1976	_____	1976	1936
December_____	_____	2031	_____	2031	1966
Total for Year_____	_____	27458	0	27458	25618

If water is purchased for resale, indicate the following:

Vendor _____
 Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC_____	10	280	_____	_____	280
PVC_____	8	13589	_____	_____	13589
PVC_____	6	2818	_____	_____	2818
PVC_____	4	1937	_____	_____	1937
PVC_____	2	3165	_____	_____	3165
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017
--

SYSTEM NAME: _____ Timber Creek

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	1986	_____	_____
Types of Well Construction and Casing _____	DRILLED/ STEEL	DRILLED/ STEEL	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	600'	1000'	_____	_____
Diameters of Wells _____	4X3	12X8	_____	_____
Pump - GPM _____	90	350	_____	_____
Motor - HP _____	5	10	_____	_____
Motor Type * _____	SUBMERSIBLE	_____	_____	_____
Yields of Wells in GPD _____	140000	540000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	HYDRO/STEEL	STEEL	STEEL	_____
Capacity of Tank _____	2000 GAL	20000 GAL	40000 GAL	_____
Ground or Elevated _____	GROUND	GROUND	GROUND	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	3 PHASE	3 PHASE	3 PHASE	_____
Rated Horsepower _____	15	15	20	_____
Pumps				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	SERIES C	SERIES C	SERIES C	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	60 KW GEN	60 KW GEN	60 KW GEN	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	_____	540000	_____
Type of Source_____	_____	GROUND	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	60000 STORAGE	_____	_____
Make_____	CUSTOM	_____	_____
Permitted Capacity (GPD)_____	540000	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	600	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	LIQUID	_____	_____
Ozone_____	NO	_____	_____
Other_____	NO	_____	_____
Auxiliary Power_____	60 KW GEN	_____	_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2017

SYSTEM NAME: Timber Creek

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

- 1. Present ERC's * the system can efficiently serve. _____ 686
- ERCs * which can be served. _____ 1057
- 3. Present system connection capacity (in ERCs *) using existing lines. _____ 686
- 4. Future connection capacity (in ERCs *) upon service area buildout. _____ 371
- 5. Estimated annual increase in ERCs *. _____ 30
- 6. Is the utility required to have fire flow capacity? _____ YES
If so, how much capacity is required? _____ 750 GPM
- 7. Attach a description of the fire fighting facilities.
- 8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
M H PARK 200 LOT EXPANSION - INDEFINITE

- 9. When did the company last file a capacity analysis report with the DEP? _____
- 10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
- 11. Department of Environmental Protection ID # _____ 2164279
- 12. Water Management District Consumptive Use Permit # _____ 756
 - a. Is the system in compliance with the requirements of the CUP? _____ YES
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

NOT APPLICABLE

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2017

CERTIFICATION OF ANNUAL REPORT


I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

1.	2.	3.	4.	 _____ (signature of chief executive officer of the utility)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Date: 4-30-17

1.	2.	3.	4.	 _____ (signature of chief financial officer of the utility)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Date: 4-30-17

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

OFFICIAL COPY
Public Service Commission
Do Not Remove From This Office

ANNUAL REPORT

WU383-18-AR

Neighborhood Utilities, Inc.
Exact Legal Name of Respondent

430-W
Certificate Number(s)

Submitted To The

STATE OF FLORIDA

2019 APR -2 AM 10:12
FLORIDA PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2018

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Neighborhood Utilities, Inc.

(EXACT NAME OF UTILITY)

1381 Cassat Ave Jacksonville, FL 32205	same
Mailing Address	Street Address County

Telephone Number 904-387-0487 Date Utility First Organized 1982
 Fax Number _____ E-mail Address wlarvo@hotmail.com

Sunshine State One-Call of Florida, Inc. Member No. NU1026

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: above

Name of subdivisions where services are provided: Timber Creek, Victoria Forest, Cherokee Cove, Chaffee Pines MHP

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Person who prepared this report: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Officers and Managers: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	\$ 30,000
<u>Dorothy J O'Steen</u>	<u>VP</u>	<u>above</u>	\$ 9625
<u>Tara S Mebane</u>	<u>VP</u>	<u>above</u>	\$ 0
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>W Larry O'Steen</u>	<u>100</u>	<u>above</u>	\$ 30,000
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 175,254	_____	_____	175,254
Commercial _____		1,250	_____	_____	1,250
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 176,504	_____	_____	176,504
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 147,440	_____	_____	147,440
Depreciation Expense _____	F-5	23,264	_____	_____	23,264
CIAC Amortization Expense _____	F-8	-7,938	_____	_____	-7,938
Taxes Other Than Income _____	F-7	13216	_____	_____	13216
Income Taxes _____	F-7	0	_____	_____	0
Total Operating Expense		\$ 175,982	_____	_____	175,982
Net Operating Income (Loss)		\$ 522	_____	_____	522
Other Income:					
Nonutility Income _____		\$ _____	_____	_____	_____
undocumented Liab. Adjust.		10,500	_____	_____	10,500
Other Deductions:					
Miscellaneous Nonutility Expenses_ life ins		\$ 3,346	_____	_____	3,346
Interest Expense _____		5,299	_____	_____	5,299
Net Income (Loss)		\$ 2,377	_____	_____	2,377

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 673155	\$ _____	\$ _____	\$ 673155
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 673155	\$ _____	\$ _____	\$ 673155

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108				
Balance First of Year _____	\$ 494094	_____	_____	494094
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ 23264	_____	_____	23264
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ _____	_____	_____	_____
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	_____	_____	_____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	_____	_____	_____
Balance End of Year _____	\$ 517358	_____	_____	517358

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	200	_____
Total par value of stock issued _____	200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	-98806
Changes during the year (Specify): income- F-1 _____	_____	2377
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	-96429

PROPRIETARY CAPITAL (218)

Balance first of year _____	\$ _____	_____
Changes during the year (Specify): _____	_____	_____
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	_____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):		
_____		_____
_____		_____
_____		_____
Total _____		_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	2971	_____	_____	2971
Regulatory assessment fee _____	7943	_____	_____	7943
Other (Specify) Bus Lic _____	787	_____	_____	787
Payroll _____	1515	_____	_____	1515
Total Tax Expense _____	\$ 13216	_____	_____	13216

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
U S WATER	\$ 31474	\$ _____	WTP OPERATIONS
W L O'STEEN	\$ 30000	\$ _____	MANAGEMENT
W L O'STEEN	\$ 3960	\$ _____	GENERATOR LEASE
MARGARET AHREN	\$ 10573	\$ _____	OFFICE AND ACCOUNTS
DOROTHY O'STEEN	9625	_____	OFFICE AND ACCOUNTS
MANUEL SHILON	\$ 1600	\$ _____	WTP MAINT
MENAVA	\$ 1250	\$ _____	CPA
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 269576	_____	269576
2) Add credits during year _____	\$ _____	_____	_____
3) Total _____	269576	_____	269576
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	269576	_____	269576
6) Less Accumulated Amortization _____	193145	_____	193145
7) Net CIAC _____	\$ 76431	_____	76431

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____	_____	\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
capacity meter	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 185207	\$ _____	\$ 185207
Add Debits During Year: _____	7938	_____	7938
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ 193145	\$ _____	\$ 193145

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2017

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	%	_____ %
Preferred Stock	_____	_____ %	%	_____ %
Long Term Debt	_____	_____ %	%	_____ %
Customer Deposits	_____	_____ %	%	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	%	_____ %
Deferred Income Taxes	_____	_____ %	%	_____ %
Other (Explain)	_____	_____ %	%	_____ %
Total	\$ <u>_____</u>	<u>100.00</u> %		<u>_____</u> %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate: _____ %
Commission Order Number approving AFUDC rate: _____

**WATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions * (d)	Retirements * (e)	Current Year (f)
301	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises_____	_____	_____	_____	_____
303	Land and Land Rights_____	1000	_____	_____	1000
304	Structures and Improvements_____	14967	_____	_____	14967
305	Collecting and Impounding Reservoirs_____	90940	_____	_____	90940
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	45388	_____	_____	45388
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	5505	_____	_____	5505
310	Power Generation Equipment_____	_____	_____	_____	_____
311	Pumping Equipment_____	56878	_____	_____	56878
320	Water Treatment Equipment_____	33508	_____	_____	33508
330	Distribution Reservoirs and Standpipes_____	30830	_____	_____	30830
331	Transmission and Distribution Lines_____	245510	_____	_____	245510
333	Services_____	64444	_____	_____	64444
334	Meters and Meter Installations_____	32738	_____	_____	32738
335	Hydrants_____	35812	_____	_____	35812
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	13921	_____	_____	13921
340	Office Furniture and Equipment_____	1714	_____	_____	1714
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_____	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	\$ 673155	\$ _____	\$ _____*	\$ 673155

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	3.7 %	\$ 10915		554	11469
305	Collecting and Impounding Reservoirs		%	2.5 %	72108		2274	74382
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	3.7 %	48748		1680	50428
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	3.125 %	430		172	602
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	5.88 %	56629		3344	59973
320	Water Treatment Equipment		%	5.88 %	23537		1970	25507
330	Distribution Reservoirs & Standpipes		%	3.03 %	9835		932	10767
331	Trans. & Dist. Mains		%	2.63 %	175278		6432	181710
333	Services		%	2.86 %	33449		1944	35393
334	Meter & Meter Installations		%	5.88 %	26956		2242	29198
335	Hydrants		%	2.5 %	31307		896	32203
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	5 %	4211		710	4921
340	Office Furniture and Equipment		%	6.67 %	691		114	805
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 494094		23264	517358 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 20199
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	30000
604	Employee Pensions and Benefits	0
610	Purchased Water	0
615	Purchased Power	5836
616	Fuel for Power Production	0
618	Chemicals	4781
620	Materials and Supplies	2598
630	Contractual Services:	
	Billing	
	Professional	1250
	Testing	1794
	Other	34923
640	Rents	15519
650	Transportation Expense	3900
655	Insurance Expense	3759
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	22881
	Total Water Operation And Maintenance Expense	\$ 147440 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	389	387	387
3/4"	D	1.5			
1"	D	2.5	48	48	120
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	2	2	5
1 1/2"	D,T	5.0	2	2	10
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
Total			<u>449</u>	<u>439</u>	<u>522</u>

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

SYSTEM NAME: _____ Timber Creek

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b)	(c)	(d)	(e)	(f)
	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
January_____	_____	2110	_____	2110	1832
February_____	_____	1860	_____	1860	1940
March_____	_____	2183	_____	2183	1913
April_____	_____	2101	_____	2101	1855
May_____	_____	2421	_____	2421	1912
June_____	_____	1281	_____	1281	2085
July_____	_____	1282	_____	1282	1765
August_____	_____	2066	_____	2066	2085
September_____	_____	2110	_____	2110	1789
October_____	_____	2247	_____	2247	2091
November_____	_____	2272	_____	2272	1917
December_____	_____	2125	_____	2125	1852
Total for Year_____	_____	24058	_____	24058	23036

If water is purchased for resale, indicate the following:
 Vendor _____
 Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC_____	10	280	_____	_____	280
PVC_____	8	13589	_____	_____	13589
PVC_____	6	2818	_____	_____	2818
PVC_____	4	1937	_____	_____	1937
PVC_____	2	3165	_____	_____	3165
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

SYSTEM NAME: _____ Timber Creek

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	1986	_____	_____
Types of Well Construction and Casing _____	DRILLED/ STEEL	DRILLED/ STEEL	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	600'	1000'	_____	_____
Diameters of Wells _____	4X3	12X8	_____	_____
Pump - GPM _____	90	350	_____	_____
Motor - HP _____	5	10	_____	_____
Motor Type * _____	SUBMERSIBLE	_____	_____	_____
Yields of Wells in GPD _____	140000	540000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	HYDRO/STEEL	STEEL	STEEL	_____
Capacity of Tank _____	2000 GAL	20000 GAL	40000 GAL	_____
Ground or Elevated _____	GROUND	GROUND	GROUND	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	3 PHASE	3 PHASE	3 PHASE	_____
Rated Horsepower _____	15	15	20	_____
Pumps				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	SERIES C	SERIES C	SERIES C	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	60 KW GEN	60 KW GEN	60 KW GEN	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2018

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	_____	540000	_____
Type of Source_____	_____	GROUND	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	60000 STORAGE	_____	_____
Make_____	CUSTOM	_____	_____
Permitted Capacity (GPD)_____	540000	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	600	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	LIQUID	_____	_____
Ozone_____	NO	_____	_____
Other_____	NO	_____	_____
Auxiliary Power_____	60 KW GEN	_____	_____

UTILITY NAME: ___ Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2018

SYSTEM NAME: ___ Timber Creek

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * the system can efficiently serve. _____ 686

ERCs * which can be served. _____ 1057

3. Present system connection capacity (in ERCs *) using existing lines. _____ 686

4. Future connection capacity (in ERCs *) upon service area buildout. _____ 371

5. Estimated annual increase in ERCs *. _____ 30

6. Is the utility required to have fire flow capacity? _____ YES
If so, how much capacity is required? _____ 750 GPM

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
M H PARK 200 LOT EXPANSION - INDEFINITE

9. When did the company last file a capacity analysis report with the DEP? _____

10. If the present system does not meet the requirements of DEP rules, submit the following:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? _____

c. When will construction begin? _____

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? _____

11. Department of Environmental Protection ID # _____ 2164279

12. Water Management District Consumptive Use Permit # _ _____ 756

a. Is the system in compliance with the requirements of the CUP? _____ YES

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

NOT APPLICABLE

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2018

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|



(signature of chief executive officer of the utility) *

Date:

3-29-2019

- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|



(signature of chief financial officer of the utility) *

Date:

3-29-2019

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

OFFICIAL COPY
Public Service Commission
Do Not Remove From This Office

ANNUAL REPORT

WU383-19-AR

Neighborhood Utilities, Inc.
Exact Legal Name of Respondent

430-W
Certificate Number(s)

Submitted To The
STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2019

Revised 5/24/2016

Form PSC/AFD 006-W (Rev. 12/99)

RECEIVED
PUBLIC SERVICE COMMISSION
MAY 15 2019

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Neighborhood Utilities, Inc.
(EXACT NAME OF UTILITY)

1381 Cassat Ave Jacksonville, FL 32205	same
Mailing Address	Street Address County

Telephone Number 904-387-0487 Date Utility First Organized 1982

Fax Number _____ E-mail Address wlarry@hotmail.com

Sunshine State One-Call of Florida, Inc. Member No. NU1026

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: above

Name of subdivisions where services are provided: Timber Creek, Victoria Forest, Cherokee Cove, Chaffee Pines MHP

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Person who prepared this report: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Officers and Managers: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	\$ 30,000
<u>Dorothy J O'Steen</u>	<u>VP</u>	<u>above</u>	\$ 9456
<u>Tara S Mebane</u>	<u>VP</u>	<u>above</u>	\$ 0
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>W Larry O'Steen</u>	<u>100</u>	<u>above</u>	\$ 30,000
<u>Dorothy J O'Steen</u>	_____	_____	\$ 9456
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 188,882	_____	_____	188,882
Commercial _____		1,352	_____	_____	1,352
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 190,234	_____	_____	190,234
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 174,748	_____	_____	174,748
Depreciation Expense _____	F-5	16,825	_____	_____	16,825
CIAC Amortization Expense _____	F-8	-7,938	_____	_____	-7,938
Taxes Other Than Income _____	F-7	11,740	_____	_____	11,740
Income Taxes _____	F-7	0	_____	_____	0
Total Operating Expense		\$ 195,375	_____	_____	195,375
Net Operating Income (Loss)		\$ -5,141	_____	_____	-5,141
Other Income:					
Nonutility Income _____		\$ _____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_ life ins		\$ _____	_____	_____	_____
Interest Expense _____		4,840	_____	_____	4,840
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ -9,981	_____	_____	-9,981

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>673155</u>	<u> </u>	<u> </u>	<u>673155</u>
Construction Work in Progress (105) <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other (Specify) <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Utility Plant <u> </u>	\$ <u>673155</u>	<u> </u>	<u> </u>	<u>673155</u>

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108				
Balance First of Year <u> </u>	\$ <u>517358</u>	<u> </u>	<u> </u>	<u>517358</u>
Add Credits During Year:				
Accruals charged to depreciation account <u> </u>	\$ <u>19920</u>	<u> </u>	<u> </u>	<u>19920</u>
Salvage <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other Credits (specify) <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Credits <u> </u>	\$ <u> </u>	<u> </u>	<u> </u>	<u> </u>
Deduct Debits During Year:				
Book cost of plant retired <u> </u>	\$ <u> </u>	<u> </u>	<u> </u>	<u> </u>
Cost of removal <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other debits (specify) <u> </u>	<u>-3095</u>	<u> </u>	<u> </u>	<u>-3095</u>
Total Debits <u> </u>	\$ <u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance End of Year <u> </u>	\$ <u>534183</u>	<u> </u>	<u> </u>	<u>534183</u>

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	200	_____
Total par value of stock issued _____	200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	-96429
Changes during the year (Specify):		
income- F-1 _____	_____	-9981
audit adjustment _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	-106410

PROPRIETARY CAPITAL (218)

Balance first of year _____	\$ _____	_____
Changes during the year (Specify):		
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	_____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):		
_____		_____
_____		_____
_____		_____
Total _____		_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	2872	_____	_____	2872
Regulatory assessment fee _____	8081	_____	_____	8081
Other (Specify)_Bus Lic _____	787	_____	_____	787
Payroll	_____	_____	_____	_____
Total Tax Expense _____	\$ 11740	_____	_____	11740

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
U S WATER	\$ 54607	\$ _____	WTP OPERATIONS
W L O'STEEN	\$ 30000	\$ _____	MANAGEMENT
W L O'STEEN	\$ 3960	\$ _____	GENERATOR LEASE
_____	\$ _____	\$ _____	_____
Juan Diaz	\$ 2400	\$ _____	WTP MAINT
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ 269576	_____	269576
2) Add credits during year_____	\$ _____	_____	_____
3) Total_____	269576	_____	269576
4) Deduct charges during the year_____	_____	_____	_____
5) Balance end of year_____	269576	_____	269576
6) Less Accumulated Amortization_____	-201083	_____	-201083
7) Net CIAC_____	\$ 68493	_____	68493

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total_____	_____	\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
capacity	_____	\$ _____	\$ _____
meter	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)_____		\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year_____	\$ 193145	_____	193145
Add Debits During Year:_____	7938	_____	7938
Deduct Credits During Year:_____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ 201083	_____	201083

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	100.00 %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order Number approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions * (d)	Retirements * (e)	Current Year (f)
301	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises_____	_____	_____	_____	_____
303	Land and Land Rights_____	1000	_____	_____	1000
304	Structures and Improvements_____	14967	_____	_____	14967
305	Collecting and Impounding Reservoirs_____	90940	_____	_____	90940
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	45388	_____	_____	45388
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	5505	_____	_____	5505
310	Power Generation Equipment_____	_____	_____	_____	_____
311	Pumping Equipment_____	56878	_____	_____	56878
320	Water Treatment Equipment_____	33508	_____	_____	33508
330	Distribution Reservoirs and Standpipes_____	30830	_____	_____	30830
331	Transmission and Distribution Lines_____	245510	_____	_____	245510
333	Services_____	64444	_____	_____	64444
334	Meters and Meter Installations_____	32738	_____	_____	32738
335	Hydrants_____	35812	_____	_____	35812
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	13921	_____	_____	13921
340	Office Furniture and Equipment_____	1714	_____	_____	1714
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_____	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	\$ 673155			673155

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	3.7 %	\$ 11469		554	12023
305	Collecting and Impounding Reservoirs		%	2.5 %	74382		2274	76656
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	3.7 %	50428		1680	52108
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	3.125 %	602		172	774
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	5.88 %	59973	-3095		56878
320	Water Treatment Equipment		%	5.88 %	25507		1970	27477
330	Distribution Reservoirs & Standpipes		%	3.03 %	10767		932	11699
331	Trans. & Dist. Mains		%	2.63 %	181710		6432	188142
333	Services		%	2.86 %	35393		1944	37337
334	Meter & Meter Installations		%	5.88 %	29198		2242	31440
335	Hydrants		%	2.5 %	32203		896	33099
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	5 %	4921		710	5631
340	Office Furniture and Equipment		%	6.67 %	805		114	919
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 517358	-3095	19920	534183

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ 19514
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	30000
604	Employee Pensions and Benefits_____	
610	Purchased Water_____	
615	Purchased Power_____	5809
616	Fuel for Power Production_____	
618	Chemicals_____	4185
620	Materials and Supplies_____	1211
630	Contractual Services:	
	Billing_____	
	Professional_____	
	Testing_____	5792
	Other_____	56342
640	Rents_____	16142
650	Transportation Expense_____	2099
655	Insurance Expense_____	6997
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	
670	Bad Debt Expense_____	
675	Miscellaneous Expenses_____	26657
	Total Water Operation And Maintenance Expense_____	\$ 174748 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	387	389	389
3/4"	D	1.5			
1"	D	2.5	48	48	120
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	2	2	5
1 1/2"	D,T	5.0	2	2	10
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total	439	441
				524	

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SYSTEM NAME: _____ Timber Creek

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	(f) Water Sold To Customers (Omit 000's)
January_-----	_____	2181	_____	2181	2075
February_-----	_____	2152	_____	2152	1805
March_-----	_____	2370	_____	2370	1928
April_-----	_____	2264	_____	2264	2026
May_-----	_____	2599	_____	2599	2658
June_-----	_____	2413	_____	2413	2276
July_-----	_____	2335	_____	2335	2280
August_-----	_____	2355	_____	2355	2020
September_-----	_____	2078	_____	2078	1928
October_-----	_____	1090	_____	1090	2382
November_-----	_____	1313	_____	1313	1918
December_-----	_____	1483	_____	1483	2033
Total for Year_-----	0	24633	0	24633	25329

If water is purchased for resale, indicate the following:

Vendor _____
Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	10	280	_____	_____	280
PVC	8	13589	_____	_____	13589
PVC	6	2818	_____	_____	2818
PVC	4	1937	_____	_____	1937
PVC	2	3165	_____	_____	3165
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SYSTEM NAME: _____ Timber Creek

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	1986	_____	_____
Types of Well Construction and Casing _____	DRILLED/ STEEL	DRILLED/ STEEL	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	600'	1000'	_____	_____
Diameters of Wells _____	4X3	12X8	_____	_____
Pump - GPM _____	90	350	_____	_____
Motor - HP _____	5	10	_____	_____
Motor Type * _____	SUBMERSIBLE	_____	_____	_____
Yields of Wells in GPD _____	140000	540000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	HYDRO/STEEL	STEEL	STEEL	_____
Capacity of Tank _____	2000 GAL	20000 GAL	40000 GAL	_____
Ground or Elevated _____	GROUND	GROUND	GROUND	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	3 PHASE	3 PHASE	3 PHASE	_____
Rated Horsepower _____	15	15	20	_____
Pumps				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	SERIES C	SERIES C	SERIES C	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	60 KW GEN	60 KW GEN	60 KW GEN	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2019

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	_____	540000	_____
Type of Source_____	_____	GROUND	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	60000 STORAGE	_____	_____
Make_____	CUSTOM	_____	_____
Permitted Capacity (GPD)_____	540000	_____	_____
High service pumping		_____	_____
Gallons per minute_____	600	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment		_____	_____
Unit Rating_____	_____	_____	_____
Filtration		_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection		_____	_____
Chlorinator_____	LIQUID	_____	_____
Ozone_____	NO	_____	_____
Other_____	NO	_____	_____
Auxiliary Power_____	60 KW GEN	_____	_____

UTILITY NAME: ___ Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2019

SYSTEM NAME: ___ Timber Creek

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * the system can efficiently serve. _____ 686

ERCs * which can be served. _____ 1057

3. Present system connection capacity (in ERCs *) using existing lines. _____ 686

4. Future connection capacity (in ERCs *) upon service area buildout. _____ 371

5. Estimated annual increase in ERCs *. _____ 30

6. Is the utility required to have fire flow capacity? _____ YES
If so, how much capacity is required? _____ 750 GPM

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
M H PARK 200 LOT EXPANSION - INDEFINITE

9. When did the company last file a capacity analysis report with the DEP? _____

10. If the present system does not meet the requirements of DEP rules, submit the following:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? _____

c. When will construction begin? _____

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? _____

11. Department of Environmental Protection ID # _____ 2164279

12. Water Management District Consumptive Use Permit # _ _____ 756

a. Is the system in compliance with the requirements of the CUP? _____ YES

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

NOT APPLICABLE

WASTEWATER OPERATING SECTION

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|

 *

(signature of chief executive officer of the utility)

Date:

7-16-20

- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|

 *

(signature of chief financial officer of the utility)

Date:

7-16-20

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

OF

Neighborhood Utilities, Inc.
Exact Legal Name of Respondent

430-W
Certificate Number(s)

Submitted To The
STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2020

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Neighborhood Utilities, Inc.

(EXACT NAME OF UTILITY)

1381 Cassat Ave Jacksonville, FL 32205	same
Mailing Address	Street Address County

Telephone Number 904-387-0487 Date Utility First Organized 1982

Fax Number none E-mail Address wlarryo@hotmail.com

Sunshine State One-Call of Florida, Inc. Member No. NU1026

Check the business entity of the utility as filed with the Internal Revenue Service:

Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: above

Name of subdivisions where services are provided: Timber Creek, Victoria Forest, Cherokee Cove, Chaffee Pines MHP

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Person who prepared this report: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Officers and Managers: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	\$ <u>37,500</u>
<u>Dorothy J O'Steen</u>	<u>VP</u>	<u>above</u>	\$ <u>11,574</u>
<u>Tara S Mebane</u>	<u>VP</u>	<u>above</u>	\$ <u>0</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>W Larry O'Steen</u>	<u>100</u>	<u>above</u>	\$ <u>37,500</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 175,139	_____	_____	175,139
Commercial _____		2,918	_____	_____	2,918
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specil late fees)		<u>7,392</u>	_____	_____	<u>7,392</u>
Total Gross Revenue _____		\$ <u>185,449</u>	_____	_____	<u>185,449</u>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 163,109	_____	_____	163,109
Depreciation Expense _____	F-5	18,976	_____	_____	18,976
CIAC Amortization Expense _____	F-8	-7,938	_____	_____	-7,938
Taxes Other Than Income _____	F-7	17,239	_____	_____	17,239
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ <u>191,386</u>	_____	_____	<u>191,386</u>
Net Operating Income (Loss)		\$ <u>-5,937</u>	_____	_____	<u>-5,937</u>
Other Income:					
Nonutility Income _____		\$ _____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses __ life ins		\$ _____	_____	_____	_____
Interest Expense _____		3,841	_____	_____	3,841
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ <u>-9,778</u>	_____	_____	<u>-9,778</u>

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>673155</u>	_____	_____	<u>673155</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>673155</u>	<u>_____</u>	<u>_____</u>	<u>673155</u>

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108				
Balance First of Year _____	\$ <u>534183</u>	_____	_____	<u>534183</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>18976</u>	_____	_____	<u>18976</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ _____	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	_____	_____	_____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	<u>_____</u>	<u>_____</u>	<u>_____</u>
Balance End of Year _____	\$ <u>553159</u>	<u>_____</u>	<u>_____</u>	<u>553159</u>

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	200	_____
Total par value of stock issued _____	200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	-106410
Changes during the year (Specify):		
income- F-1 _____	_____	-9778
audit adjustment _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	-116188

PROPRIETARY CAPITAL (218)

Balance first of year _____	\$ _____	_____
Changes during the year (Specify):		
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	_____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):		
_____		_____
_____		_____
_____		_____
Total _____		=====

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ 0	\$ _____	\$ _____	\$ 0
State income Tax _____	0	_____	_____	0
Taxes Other Than Income:				
State ad valorem tax _____	0	_____	_____	0
Local property tax _____	3498	_____	_____	3498
Regulatory assessment fee _____	8345	_____	_____	8345
Other (Specify) Bus Lic _____	788	_____	_____	788
Payroll	4608	_____	_____	4608
Total Tax Expense _____	\$ 17239	_____	_____	17239

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
<u>U S WATER</u>	\$ 34531	\$ _____	<u>WTP OPERATIONS</u>
<u>W L O'STEEN</u>	\$ 3960	\$ _____	<u>GENERATOR LEASE</u>
_____	\$ _____	\$ _____	_____
<u>Juan Diaz</u>	\$ 2400	\$ _____	<u>WTP MAINT</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>269576</u>	_____	<u>269576</u>
2) Add credits during year _____	\$ _____	_____	_____
3) Total _____	<u>269576</u>	_____	<u>269576</u>
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	<u>269576</u>	_____	<u>269576</u>
6) Less Accumulated Amortization _____	<u>-209021</u>	_____	<u>-209021</u>
7) Net CIAC _____	<u>\$ 60555</u>	_____	<u>60555</u>

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____	_____	\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
capacity	_____	\$ _____	\$ _____
meter	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>201083</u>	_____	<u>201083</u>
Add Debits During Year: _____	<u>7938</u>	_____	<u>7938</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	<u>\$ 209021</u>	_____	<u>209021</u>

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020
--

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ <u>_____</u>	<u>100.00</u> %		<u>_____</u> %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order Number approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

<p>YEAR OF REPORT DECEMBER 31, 2020</p>

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions * (d)	Retirements * (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
303	Land and Land Rights _____	1000	_____	_____	1000
304	Structures and Improvements _____	14967	_____	_____	14967
305	Collecting and Impounding Reservoirs _____	90940	_____	_____	90940
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	45388	_____	_____	45388
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	5505	_____	_____	5505
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	56878	_____	_____	56878
320	Water Treatment Equipment _____	33508	_____	_____	33508
330	Distribution Reservoirs and Standpipes _____	30830	_____	_____	30830
331	Transmission and Distribution Lines _____	245510	_____	_____	245510
333	Services _____	64444	_____	_____	64444
334	Meters and Meter Installations _____	32738	_____	_____	32738
335	Hydrants _____	35812	_____	_____	35812
336	Backflow Prevention Devices _____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment _____	13921	_____	_____	13921
340	Office Furniture and Equipment _____	1714	_____	_____	1714
341	Transportation Equipment _____	_____	_____	_____	_____
342	Stores Equipment _____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	_____	_____	_____	_____
348	Other Tangible Plant _____	_____	_____	_____	_____
	Total Water Plant _____	\$ 673155	_____	_____	673155

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	3.7 %	\$ 12023		554	12577
305	Collecting and Impounding Reservoirs		%	2.5 %	76656		2274	78930
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	3.7 %	52108		1680	53788
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	3.125 %	774		172	946
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	5.88 %	56878			56878
320	Water Treatment Equipment		%	5.88 %	27477		1970	29447
330	Distribution Reservoirs & Standpipes		%	3.03 %	11699		932	12631
331	Trans. & Dist. Mains		%	2.63 %	188142		6432	194574
333	Services		%	2.86 %	37337		1944	39281
334	Meter & Meter Installations		%	5.88 %	31440		1298	32738
335	Hydrants		%	2.5 %	33099		896	33995
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	5 %	5631		710	6341
340	Office Furniture and Equipment		%	6.67 %	919		114	1033
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 534183	0	18976	553159

* This amount should tie to Sheet F-5.

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 24057
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	37500
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	5426
616	Fuel for Power Production	
618	Chemicals	2282
620	Materials and Supplies	5430
630	Contractual Services:	
	Billing	
	Professional	7870
	Testing	
	Other	36631
640	Rents	20563
650	Transportation Expense	1589
655	Insurance Expense	6463
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	15298
	Total Water Operation And Maintenance Expense	\$ 163109 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	389	391	391
3/4"	D	1.5			
1"	D	2.5	48	48	120
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	2	2	5
1 1/2"	D,T	5.0	2	2	10
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
Total			441	443	526

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

SYSTEM NAME: _____ Timber Creek

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b)	(c)	(d)	(e)	(f)
	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
January _____	_____	1620	_____	1620	2198
February _____	_____	1367	_____	1367	1876
March _____	_____	2524	_____	2524	2074
April _____	_____	2544	_____	2544	2062
May _____	_____	3080	_____	3080	2430
June _____	_____	2660	_____	2660	2033
July _____	_____	2721	_____	2721	2251
August _____	_____	2524	_____	2524	2007
September _____	_____	2198	_____	2198	2173
October _____	_____	2179	_____	2179	1949
November _____	_____	1993	_____	1993	1766
December _____	_____	2611	_____	2611	2041
Total for Year _____	0	28021	0	28021	24860

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	10	280	_____	_____	280
PVC	8	13589	_____	_____	13589
PVC	6	2818	_____	_____	2818
PVC	4	1937	_____	_____	1937
PVC	2	3165	_____	_____	3165
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

SYSTEM NAME: _____ Timber Creek

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	1986	_____	_____
Types of Well Construction and Casing _____	DRILLED/ STEEL	DRILLED/ STEEL	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	600'	1000'	_____	_____
Diameters of Wells _____	4X3	12X8	_____	_____
Pump - GPM _____	90	350	_____	_____
Motor - HP _____	5	10	_____	_____
Motor Type *	SUBMERSIBLE	_____	_____	_____
Yields of Wells in GPD _____	140000	540000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	HYDRO/STEEL	STEEL	STEEL	_____
Capacity of Tank _____	2000 GAL	20000 GAL	40000 GAL	_____
Ground or Elevated _____	GROUND	GROUND	GROUND	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	3 PHASE	3 PHASE	3 PHASE	_____
Rated Horsepower _____	15	15	20	_____
<u>Pumps</u>				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	SERIES C	SERIES C	SERIES C	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	60 KW GEN	60 KW GEN	60 KW GEN	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_ _ _ _	_____	540000	_____
Type of Source_ _ _ _ _	_____	GROUND	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_ _ _ _ _	60000 STORAGE	_____	_____
Make_ _ _ _ _	CUSTOM	_____	_____
Permitted Capacity (GPD)_ _	540000	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_ _ _ _	600	_____	_____
Reverse Osmosis_ _ _ _ _	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_ _ _ _ _	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._ _ _ _ _	_____	_____	_____
Gravity GPD/Sq.Ft._ _ _ _ _	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_ _ _ _ _	LIQUID	_____	_____
Ozone_ _ _ _ _	NO	_____	_____
Other_ _ _ _ _	NO	_____	_____
Auxiliary Power_ _ _ _ _	60 KW GEN	_____	_____

UTILITY NAME: ___ Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2020

SYSTEM NAME: ___ Timber Creek

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

- 1. Present ERC's * the system can efficiently serve. _____ 686
- RCs * which can be served. _____ 1057
- 3. Present system connection capacity (in ERCs *) using existing lines. _____ 686
- 4. Future connection capacity (in ERCs *) upon service area buildout. _____ 371
- 5. Estimated annual increase in ERCs *. _____ 30
- 6. Is the utility required to have fire flow capacity? _____ YES
If so, how much capacity is required? _____ 750 GPM
- 7. Attach a description of the fire fighting facilities.
- 8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
M H PARK 200 LOT EXPANSION - INDEFINITE

- 9. When did the company last file a capacity analysis report with the DEP? _____
- 10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
- 11. Department of Environmental Protection ID # _____ 2164279
- 12. Water Management District Consumptive Use Permit # _____ 756
 - a. Is the system in compliance with the requirements of the CUP? _____ YES
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

- (a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

NOT APPLICABLE

WASTEWATER OPERATING SECTION

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2020

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

1.	2.	3.	4.	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>/s/ W Larry O'Steen</u> *
				(signature of chief executive officer of the utility)

Date: 9/21/2021

1.	2.	3.	4.	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>/s/ W Larry O'Steen</u> *
				(signature of chief financial officer of the utility)

Date: 9/21/2021

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

OF

NEIGHBORHOOD UTILITIES, INC.

Exact Legal Name of Respondent

430-W

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
JANUARY 16 PM 12:19
DIVISION OF
ACCOUNTS & FINANCE

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2021

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Neighborhood Utilities, Inc.
(EXACT NAME OF UTILITY)

1381 Cassat Ave Jacksonville, FL 32205		same	
Mailing Address		Street Address	County
Telephone Number	904-387-0487	Date Utility First Organized	1982
Fax Number		E-mail Address	wlarryo@hotmail.com
Sunshine State One-Call of Florida, Inc. Member No.		NU1026	

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual
 Sub Chapter S Corporation
 1120 Corporation
 Partnership

Name, Address and phone where records are located: above

Name of subdivisions where services are provided: Timber Creek, Victoria Forest, Cherokee Cove, Chaffee Pines MHP

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Person who prepared this report: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	
Officers and Managers: <u>W Larry O'Steen</u>	<u>Pres</u>	<u>above</u>	\$ 37500
<u>Dorothy J O'Steen</u>	<u>VP</u>	<u>above</u>	\$
<u>Tara S Mebane</u>	<u>VP</u>	<u>above</u>	\$
			\$
			\$

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>W Larry O'Steen</u>	<u>100</u>	<u>above</u>	\$ 37500
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT 31-Dec-21

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 182,807	\$ _____	\$ _____	\$ 182,807
Commercial_____		516	_____	_____	516
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ 183,323	\$ _____	\$ _____	\$ 183,323
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 176,445	\$ _____	\$ _____	\$ 176,445
Depreciation Expense_____	F-5	18,976	_____	_____	18,976
CIAC Amortization Expense_____	F-8	-7,938	_____	_____	-7,938
Taxes Other Than Income_____	F-7	11,442	_____	_____	11,442
Income Taxes_____	F-7	0	_____	_____	0
Total Operating Expense		\$ 198,925	_____	_____	\$ 198,925
Net Operating Income (Loss)		\$ -15,602	\$ _____	\$ _____	\$ -15,602
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		3,130	_____	_____	3,130
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ -18,732	\$ _____	\$ _____	\$ -18,732

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>673155</u>	\$ _____	\$ _____	\$ <u>673155</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>673155</u>	\$ _____	\$ _____	\$ <u>673155</u>

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>553159</u>	\$ _____	\$ _____	\$ <u>553159</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ <u>18976</u>	\$ _____	\$ _____	\$ <u>18976</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>572135</u>	\$ _____	\$ _____	\$ <u>572135</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>572135</u>	\$ _____	\$ _____	\$ <u>572135</u>

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	200	_____
Total par value of stock issued _____	200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ -116188	\$ _____
Changes during the year (Specify):	-18732	_____
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ -134920	\$ _____

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify):	_____	_____
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
_____	_____	_____	\$ _____
_____	_____	_____	_____
Total _____			\$ _____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31,2020

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	2997	_____	_____	2997
Regulatory assessment fee _____	8250	_____	_____	8250
Other (Specify) _____	163	_____	_____	163
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Tax Expense _____	\$ 11442	\$ _____	\$ _____	\$ 11442

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
<u>U S WATER</u>	\$ 55328	\$ _____	<u>WTP OPERATIONS</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
<u>JUAN DIAZ</u>	\$ 2400	\$ _____	<u>WTP GROUNDS MAINT</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>269576</u>	\$ _____	\$ <u>269576</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	<u>269576</u>	_____	<u>269576</u>
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	<u>269576</u>	_____	<u>269576</u>
6) Less Accumulated Amortization _____	<u>-216959</u>	_____	<u>-216959</u>
7) Net CIAC _____	<u>\$ 52617</u>	<u>\$ _____</u>	<u>\$ 52617</u>

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>209021</u>	\$ _____	\$ <u>209021</u>
Add Debits During Year: _____	<u>7938</u>	_____	<u>7938</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	<u>\$ 216959</u>	<u>\$ _____</u>	<u>\$ 216959</u>

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31,2021
--

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	_____ 100.00 %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order Number approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

<p>YEAR OF REPORT DECEMBER 31, 2021</p>

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises_____	1000	_____	_____	1000
303	Land and Land Rights_____	14967	_____	_____	14967
304	Structures and Improvements_____	_____	_____	_____	_____
305	Collecting and Impounding Reservoirs_____	90940	_____	_____	90940
306	Lake, River and Other Intakes_____	45388	_____	_____	45388
307	Wells and Springs_____	_____	_____	_____	_____
308	Infiltration Galleries and Tunnels_____	5505	_____	_____	5505
309	Supply Mains_____	_____	_____	_____	_____
310	Power Generation Equipment_____	56878	_____	_____	56878
311	Pumping Equipment_____	33508	_____	_____	33508
320	Water Treatment Equipment_____	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes_____	30830	_____	_____	30830
331	Transmission and Distribution Lines_____	245510 64444	_____	_____	245510 64444
333	Services_____	_____	_____	_____	_____
334	Meters and Meter Installations_____	32738 35812	_____	_____	32738 35812
335	Hydrants_____	_____	_____	_____	_____
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	13921	_____	_____	13921
340	Office Furniture and Equipment_____	1714	_____	_____	1714
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_____	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	673155	_____	_____	673155
		\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2021

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	3.7 %	\$ 12577		\$ 554	\$ 13131
305	Collecting and Impounding Reservoirs		%	2.5 %	78930		2274	81204
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	3.7 %	53788		1680	55468
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	3.125 %	946		172	1118
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	5.88 %	56878			56878
320	Water Treatment Equipment		%	5.88 %	29447		1970	31417
330	Distribution Reservoirs & Standpipes		%	3.03 %	12631		932	13563
331	Trans. & Dist. Mains		%	2.63 %	194574		6432	201006
333	Services		%	2.86 %	39281		1944	41225
334	Meter & Meter Installations		%	5.88 %	32738		1298	34036
335	Hydrants		%	2.5 %	33995		896	34891
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	5 %	6341		710	7051
340	Office Furniture and Equipment		%	6.67 %	1033		114	1147
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 553159	\$	\$ 18976	\$ 572135 *

* This amount should tie to Sheet F-5.

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2021

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ 23678
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	37500
604	Employee Pensions and Benefits_____	
610	Purchased Water_____	
615	Purchased Power_____	6011
616	Fuel for Power Production_____	
618	Chemicals_____	2882
620	Materials and Supplies_____	2398
630	Contractual Services:	
	Billing_____	5959
	Professional_____	
	Testing_____	2797
	Other_____	51578
640	Rents_____	15646
650	Transportation Expense_____	766
655	Insurance Expense_____	3706
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	
670	Bad Debt Expense_____	3194
675	Miscellaneous Expenses_____	20330
	Total Water Operation And Maintenance Expense_____	\$ 176445 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	391	394	394
3/4"	D	1.5			
1"	D	2.5	48	46	115
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	2	2	5
1 1/2"	D,T	5.0	2	2	10
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total	443	444
				444	524

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31,2021

SYSTEM NAME: _____ Timber Creek

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January_____	_____	2050	_____	_____	1728
February_____	_____	2089	_____	_____	1726
March_____	_____	1748	_____	_____	1639
April_____	_____	2434	_____	_____	2192
May_____	_____	2880	_____	_____	1993
June_____	_____	2552	_____	_____	2220
July_____	_____	2600	_____	_____	1970
August_____	_____	2936	_____	_____	2054
September_____	_____	2225	_____	_____	2116
October_____	_____	2208	_____	_____	1970
November_____	_____	2477	_____	_____	2004
December_____	_____	1234	_____	_____	1871
Total for Year_____	_____	27433	_____	_____	23483

If water is purchased for resale, indicate the following:

Vendor _____
Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
_____	10	280	_____	_____	280
_____	8	13589	_____	_____	13589
_____	6	2818	_____	_____	2818
_____	4	1937	_____	_____	1937
_____	2	3165	_____	_____	3165
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2021

SYSTEM NAME: _____ Timber Creek

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	1986	_____	_____
Types of Well Construction and Casing _____	DRILLED/ STEEL	DRILLED/ STEEL	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	600'	1000'	_____	_____
Diameters of Wells _____	4X3	12X8	_____	_____
Pump - GPM _____	90	350	_____	_____
Motor - HP _____	5	10	_____	_____
Motor Type * _____	SUBMERSIBLE	_____	_____	_____
Yields of Wells in GPD _____	140000	540000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	HYDRO/STEEL	STEEL	STEEL	_____
Capacity of Tank _____	2000 GAL	20000 GAL	40000 GAL	_____
Ground or Elevated _____	GROUND	GROUND	GROUND	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	3 PHASE	3 PHASE	3 PHASE	_____
Rated Horsepower _____	15	15	20	_____
Pumps				
Manufacturer _____	PEERLESS	PEERLESS	PEERLESS	_____
Type _____	SERIES C	SERIES C	SERIES C	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	60 KW GEN	60 KW GEN	60 KW GEN	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day _____	_____	540000	_____
Type of Source _____	_____	GROUND	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	60000 STORAGE	_____	_____
Make _____	CUSTOM	_____	_____
Permitted Capacity (GPD) _____	540000	_____	_____
High service pumping	_____	_____	_____
Gallons per minute _____	600	_____	_____
Reverse Osmosis _____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating _____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft. _____	_____	_____	_____
Gravity GPD/Sq.Ft. _____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator _____	LIQUID	_____	_____
Ozone _____	NO	_____	_____
Other _____	NO	_____	_____
Auxiliary Power _____	60 KW GEN	_____	_____

UTILITY NAME: _____ Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2021

SYSTEM NAME: _____ Timber Creek

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * the system can efficiently serve. _____ 686

ERCs * which can be served. _____ 1057

3. Present system connection capacity (in ERCs *) using existing lines. _____ 686

4. Future connection capacity (in ERCs *) upon service area buildout. _____ 371

5. Estimated annual increase in ERCs *. _____ 30

6. Is the utility required to have fire flow capacity? _____ YES
If so, how much capacity is required? _____ 750 GPM

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
M H PARK 200 LOT EXPANSION - INDEFINITE

9. When did the company last file a capacity analysis report with the DEP? _____

10. If the present system does not meet the requirements of DEP rules, submit the following:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? _____

c. When will construction begin? _____

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? _____

11. Department of Environmental Protection ID # _____ 2164279

12. Water Management District Consumptive Use Permit # _____ 756

a. Is the system in compliance with the requirements of the CUP? _____ YES

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

WASTEWATER OPERATING SECTION

NOT APPLICABLE

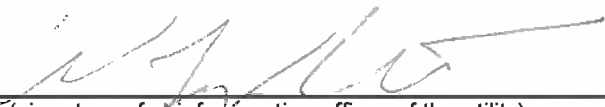

UTILITY NAME: NEIGHBORHOOD UTILITY INC YEAR OF REPORT DECEMBER 31, 2021

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | |
|--|--|
| <p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p> | <p>1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.</p> |
| <p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p> | <p>2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.</p> |
| <p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p> | <p>3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.</p> |
| <p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p> | <p>4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.</p> |

Items Certified:

1. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input type="checkbox"/>	4. <input type="checkbox"/>	 (signature of chief executive officer of the utility) *
				Date: <u>5/13/2022</u>
1. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>	 (signature of chief financial officer of the utility) *
				Date: <u>5/13/2022</u>

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

EXHIBIT 5



WATER SYSTEM ASSESSMENT

Neighborhood Utilities

210 South Florida Avenue | Suite 220
Lakeland, Florida 33801
800.426.4262

woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS

0233748.01

CSWR

August 2021

TABLE OF CONTENTS

SECTION	PAGE NO.
1. INTRODUCTION.....	1-1
1.1 General System Information.....	1-1
1.2 Water Use	1-2
2. WATER TREATMENT FACILITY.....	2-1
2.1 Facility Description	2-1
2.1.1 Source	2-1
2.1.2 Treatment	2-3
2.1.2.1 Chemical Treatment	2-3
2.1.2.2 Aeration Treatment.....	2-4
2.1.3 Storage.....	2-4
2.1.3.1 Ground Storage Tank 2.....	2-4
2.1.3.2 Ground Storage Tank 1.....	2-5
2.1.3.3 Hydropneumatic Storage Tank and Booster Pumps	2-6
2.1.4 Booster Pumps	2-8
2.1.5 Pump Station Building	2-8
2.1.6 Back-Up Power.....	2-9
2.2 Permit Information	2-10
2.2.1 Water Quality and MCL Exceedances	2-10
2.2.2 Compliance and Violation History	2-10
2.3 Recommended Repairs and Improvements	2-11
2.3.1 General Plant.....	2-11
2.3.1.1 Electrical Items	2-11
2.3.2 Source of Supply	2-11
2.3.3 Water Treatment and Pumping.....	2-13
3. WATER DISTRIBUTION SYSTEM.....	3-16
3.1 Distribution System Description.....	3-16
3.2 Recommended Repairs and Improvements	3-16
4. CAPITAL ESTIMATES	4-1
4.1 Triage Repairs.....	4-1
4.2 Improvements and Other Repairs	4-1

TABLES

Table 1-1:	Neighborhood Utilities System Information
Table 2-1:	Major System Components
Table 2-2:	Neighborhood Utilities Chemical Metering Pumps
Table 2-3:	Neighborhood Utilities High Service Pumps
Table 4-1:	General Plant Triage Repairs
Table 4-2:	Water Treatment and Pumping Triage Repairs
Table 4-3:	Source of Supply Capital Improvements
Table 4-4:	Water Treatment and Pumping Capital Improvements
Table 4-5:	Transmission and Distribution Capital Improvements

FIGURES

Figure 1-1:	Neighborhood Utilities Average Water Use 2020
Figure 2-1:	Well 2
Figure 2-2:	Well 1
Figure 2-3:	Sodium Hypochlorite Treatment
Figure 2-4:	Aerator Treatment
Figure 2-5:	Ground Storage Tank 2
Figure 2-6:	Ground Storage Tank 1
Figure 2-7:	Hydropneumatic Tank
Figure 2-8:	Hydropneumatic Tank Sight Gauge and Air Compressor
Figure 2-9:	High Service Pumps
Figure 2-10:	Pump Station Building
Figure 2-11:	Emergency Generator
Figure 2-12:	Emergency Generator Diesel Fuel Tank
Figure 2-13:	Pump Water Leak
Figure 2-14:	Algae Buildup
Figure 2-15:	PIG 275-gallon IBC and Enclosure
Figure 2-16:	GST2 Exterior Corrosion

1. INTRODUCTION

1.1 General System Information

Neighborhood Utilities owns and operates a community, public water system. A summary of the main parameters for the water system are summarized below in Table 1-1.

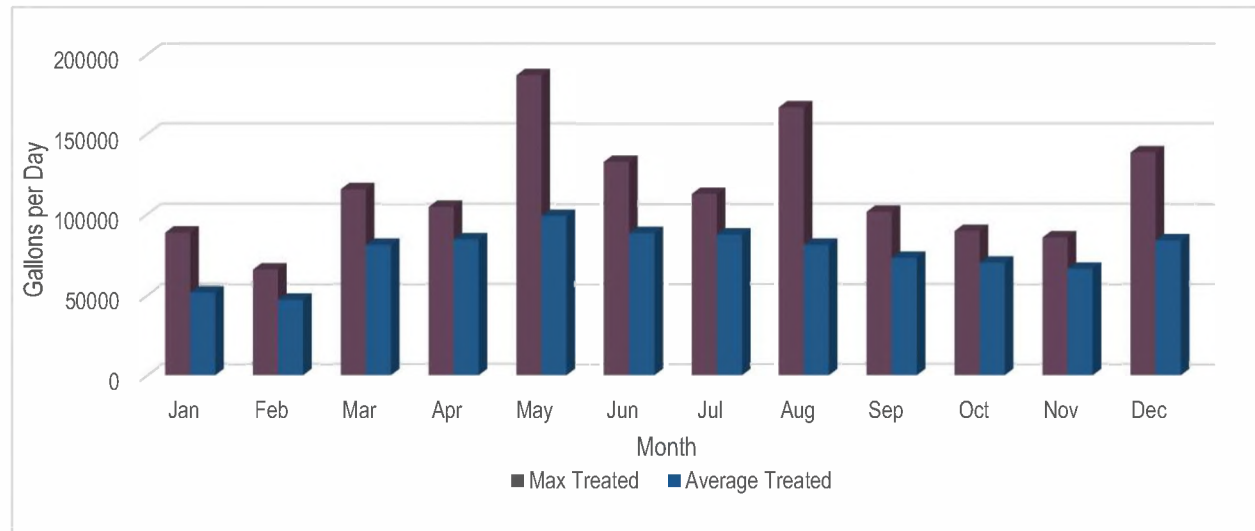
Table 1-1: Neighborhood Utilities System Information

Water System Name	Neighborhood Utilities
PWD ID Number	2164279
Classification	Community
Plant Category & Class	5C
Street Address	10487 Timber Creek Lane
City, State	Jacksonville, FL 32221
County	Duval
Owner	Neighborhood Utilities, Inc.
Contact	Larry O'Steen
Population Served	1,015 (Sanitary Survey)
Number of Service Connections	406 (Sanitary Survey)
Pending Developments	Chaffee Pines MHP - Future 200-unit expansion (Neighborhood Utilities)
Average Day Water Use	76,374 gpd (2020 Monthly Reports)
Maximum Day Water Use	187,000 gpd (Sanitary Survey)
Max-Day Design Capacity	360,000 gpd (Sanitary Survey)
Water Source	Ground (Floridan Aquifer)
Storage and Pressure Regulation	Hydropneumatic Tank & Atmospheric Storage Tanks

1.2 Water Use

Potable water usage at the Neighborhood Utilities Plant is depicted in Figure 1-1.

Figure 1-1: Neighborhood Utilities Average Water Use 2020



Source: 2020 Monthly Operating Reports

2. WATER TREATMENT FACILITY

2.1 Facility Description

Water is pumped from Well 2 through an 8-inch check valve and gate valve and sent approximately 840 feet north to the water treatment plant. The water flows through a 6-inch Water Specialties flow meter and into the aerator located on top of Tank 2. The aerator is a 350-gpm tray aerator with a surrounding screen. Sodium Hypochlorite is also pumped at the top of the aerator to mix with the water in the aeration trays. The water then flows into Tank 2 and is connected to Tank 1 so that the water levels in the two tanks can equalize in a parallel setup. The water flows from both tanks into the pump station. Three high service pumps are located inside the pump station, and pump water into a hydropneumatic storage tank and then out to distribution.

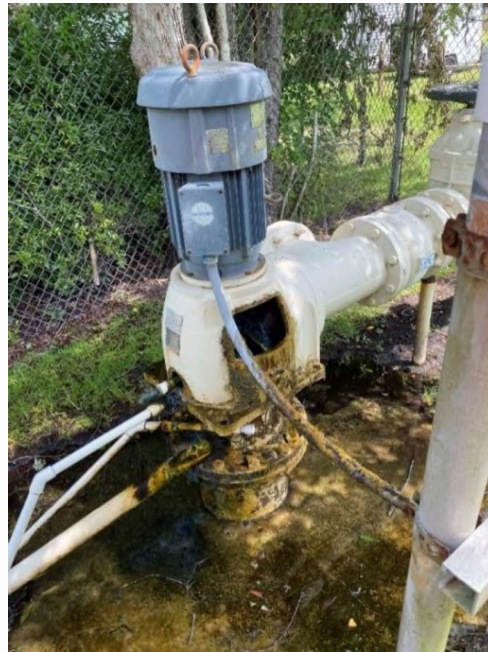
Table 2-1: Major System Components

Purpose	Type	Details	Age (Source)	Condition
Source	Well 1	100 feet deep, unknown gpm	Unknown	Poor
Source	Well 2	1,000 feet deep, 350 gpm	1986 (Sanitary Survey)	Poor
Treatment	Disinfection	Sodium Hypochlorite	Unknown	Fair
Treatment	Aeration	350 gpm, Steel	Unknown	Fair
Storage	Hydropneumatic Tank	5,000 gallons, Steel	2009 (Tank Inspection Report)	Fair
Storage	Ground Storage Tank 1 (GST1)	20,000 Gallons, Steel	1981 (Neighborhood Utilities)	Fair
Storage	Ground Storage Tank 2 (GST2)	40,000 gallons, Steel	1986 (Neighborhood Utilities)	Poor
High Service Pump	Pump 1	Baldor, 20 hp, 340 gpm	1995 (Sanitary Survey Report)	Fair
High Service Pump	Pump 2	Emerson, 15 hp, 260 gpm	1995 (Sanitary Survey Report)	Fair
High Service Pump	Pump 3	Sterling, 15 hp, 260 gpm	1995 (Sanitary Survey Report)	Poor
Building	CMU	11 by 14 feet	Unknown	Fair

2.1.1 Source

The Neighborhood Utilities main well (Well 2) is located within a small locked fenced in area and approximately 840 feet south of the water treatment plant and about 25 feet from Rothbury Drive. The top of well casing is about 12 inches above grade and within a concrete pad. The well is 1,000 feet deep with one vertical turbine Peerless 350 gpm pump, 10 HP motor, and 230 Volts.

Figure 2-1: Well 2



Well 1 is located approximately 50 feet from the pump station building but is not used or listed on the FDEP operating permit. Well 1 is 100 feet deep and has a 100 gpm well pump of unknown make and age. Piping from the well is connected to GST1. Well 1 is not included as a ground water source on the most recent FDEP sanitary survey report or the 2020 FDEP Source Water Assessment & Protection Program (SWAPP).

Figure 2-2: Well 1



There is no known potential source of contamination within a 1000-foot radius of the well. Please refer to Appendix A for the 2019 FDEP SWAPP Results.

2.1.2 Treatment

2.1.2.1 Chemical Treatment

Sodium hypochlorite is injected for the purpose of disinfection prior to the aerator above the GST2. The sodium hypochlorite mix is 12.5% and is housed in a 300-gallon day tank located beside GST2. The chemical pump is a peristaltic 17 GPD Stenner Pump, set at 100% stroke. The average distribution residual in 2019 was 2.2 mg/L based on the Sanitary Survey Report.

The chemical pump will turn on when the well pump is energized. The chemical pump outlet is wired to the Well 2 pump starter.

Table 2-2: Neighborhood Utilities Chemical Metering Pumps

Chemical Pump	Chlorine
Number of Pumps	1
Brand	Stenner
Model	85MPHP17
Size	17 GPD

Figure 2-3: Sodium Hypochlorite Treatment



2.1.2.2 Aeration Treatment

The plant uses a 350-gpm aeration treatment system to address hydrogen sulfide. The aeration system is located on the top of Tank 2 and is steel fabricated and fiber glass coated in a steel enclosure with fiberglass fine mesh screen.

Figure 2-4: Aerator Treatment



2.1.3 Storage

The Neighborhood Utilities water treatment plant has a three storage tanks onsite, two atmospheric storage tanks and one hydropneumatic storage tanks.

2.1.3.1 Ground Storage Tank 2

Ground Storage Tank 2 (GST2) is a 40,000-gallon steel atmospheric storage tank. The storage tank is plumbed with 6-inch isolation gate valves at the inlet and outlet of the tank with no bypass line. The tank is controlled by a tank level meter that will activate the well pump if the water level gets too low. The tank has a J-type screened vent and a 6-inch drain valve. The flow into the storage tank goes through the aeration treatment unit on the top of the tank and falls into the storage tank.

The most recent inspection on GST2 was performed by In Depth Services, Inc. on July 27, 2018. The tank inspection report stated that the aerator was causing heavy signs of corrosion throughout the adjacent tank walls with heavy corrosion and metal loss noted on access hatch and riser. The tank interior has up to 14 inches of silt and iron sediment on the central tank floor with corrosion, oxidation noted above the waterline and throughout the tank roof, and ambient light was visible at multiple locations throughout the tank roof. The report recommended to seal exterior openings on

roof to prevent contaminations, to repair areas of metal loss on the tank walls, recoat the interior and exterior surfaces of the tank, and to repair/replace the access hatch and riser.

Figure 2-5: Ground Storage Tank 2



2.1.3.2 Ground Storage Tank 1

Ground Storage Tank 1 (GST1) is a 20,000-gallon steel atmospheric storage tank. The tank is plumbed with 4-inch isolation gate valves at the inlet and outlet of the tank with an underground 4-inch tank bypass line which is normally closed. The storage tank does have a connection to the inactive Well 1 but the gate valves to the well are normally closed. The tank has no direct control or inlet but is connected via an underground pipe to Storage Tank 2 so that the flow from Well 2 equalizes in both storage tanks to allow for additional water storage. The tank has a J-type screened vent and a 4-inch drain valve.

The most recent inspection on GST1 was performed by In Depth Services, Inc. on July 27, 2018. The tank inspection reported stated that there was a complete failure of access hatch/hinges due to rust and de-alloying and uncovered openings present on roof allowing bio life and growth inside of the tank as well as clogged and torn screens on the vent. The tank interior had visible signs of daylight present to do unsealed openings on roof, waterline staining present throughout the roof and walls, and corrosion noted above the waterline localized on weld seams primarily throughout roof. The report recommended to repair the vent screen and access hatch, to seal the exterior openings on roof to prevent contaminations, and to schedule internal epoxy repairs to coating in areas with pitting and heavy delamination.

Figure 2-6: Ground Storage Tank 1



2.1.3.3 Hydropneumatic Storage Tank and Booster Pumps

The hydropneumatic storage tank is a 2,000-gallon steel tank. The tank is plumbed with 4-inch isolation gate valves at the inlet and outlet of the tank with no bypass line. The hydropneumatic storage tank controls the high service pumps and air compressor. The on/off pressure of the tank is 40/60. The tank level gauge is kept in the pump station building and has a sensor to activate an air compressor if the water level gets too high in the tank to keep the tank from being waterlogged.

The most recent inspection on the hydropneumatic tank was performed by In Depth Services, Inc. on July 27, 2018. The report stated that the hydropneumatic storage tank had moderate surface corrosion and oxidation noted throughout the tank above the water line, moderate signs of blistering noted in the coating throughout the central tank floor, erosion in the surrounding terrain related to a poor tank drainage system, and that during the inspection the tank was not able to fully isolated from water flow due to incoming flow from the tank outlet, likely due to a failed valve. The tank recommended that the interior coating should be repaired in areas of corrosion throughout the tank roof, the addition of a “splash zone” pad or plumbing to redirect discharge runoff from the tank drain, and to diagnose and repair the valve system to allow the tank to be fully isolated from incoming water flow.

Figure 2-7: Hydropneumatic Tank



Figure 2-8: Hydropneumatic Tank Sight Gauge and Air Compressor



2.1.4 Booster Pumps

The pump station building houses three high service pumps. High Service Pump 1 (HSP1) is a 20 hp pump and is intended to be used for high demand such as fire flow conditions and turns on whenever the hydropneumatic tank drops below 40 psi. HSP2 and HSP3 are both 15 hp pumps and are intended to maintain the pressure in the hydropneumatic tank between 40 psi and 60 psi. HSP2 is the lead pump and supplies most of the water flow to the community, while HSP 3 is currently inoperable, and the discharge valve is closed. The check valves for HSP1 and HSP2 were recently replaced after a leak was found during a Sanitary Survey inspection.

Table 2-3: Neighborhood Utilities High Service Pumps

Chemical Pump	HSP1	HSP2	HSP3
Type	Centrifugal	Centrifugal	Centrifugal
Brand	Balder	Emerson	Sterling
Model	39E15Z88	DJ15A1AM	C8W0AN-AF
Motor HP	20	15	15

Figure 2-9: High Service Pumps



2.1.5 Pump Station Building

The pump station building is a 13 by 513-foot CMU building with primarily used for storage of the high service pumps, hydropneumatic storage tank sight tube, electric panels, and facility logbook. The building has a door with a width of 43 inches. The building had no evidence of roof leaks or rodents, but the open door provides no containment for spills or protection from weather, rodents, and insects. The building is within a fence with a locked gate, and has no fire extinguisher, floor drains, PPE, or lighting available on-site.

Figure 2-10: Pump Station Building



2.1.6 Back-Up Power

The Neighborhood Utilities plant has an inoperable 25 kW generator unit onsite to power the well pumps if there is an interruption in power supply. The generator has been inoperable since 2017 according to the most recent sanitary survey report. The generator has a diesel fuel tank that was half filled with fuel. The water system does have an emergency water source connection to the JEA major grid, a City of Jacksonville public utility, for up to 360,000-gallons of emergency water capacity to use if the water system is down.

Figure 2-11: Emergency Generator



Figure 2-12: Emergency Generator Diesel Fuel Tank



2.2 Permit Information

2.2.1 Water Quality and MCL Exceedances

There was no water quality or MCL exceedances reported in the plant's most recent annual drinking water report. Please refer to Appendix C for the 2017 Consumer Confidence Report. Additionally, there were no bacteria positives recorded during 2019 monthly bacteria samples.

2.2.2 Compliance and Violation History

The most recent sanitary survey for the plant was conducted on July 1st, 2020, and noted four possible violations of Chapter 403, Florida Statutes and Chapter 62-555, Florida Administrative Code:

- Leaking valve on high service pump 2
- Inadequate standby power
- Well pump 2 was leaking
- Well pump 2 had biogrowth on the well casing from the leak

The check valves on high service pumps 2 and 3 were recently replaced, but the site still has inadequate standby power and a leaking well pump 2 with biogrowth. The inspection report also noted that a warning letter was issued in May of 2019 regarding the inadequate standby power and that the next step will be an enforcement action to compel correction of the deficiency. The report stated that although there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of F.A.C. 62-555.320. The facility received

a written warning letter on September 3, 2020, related to the emergency generator. Please refer to Appendix D for the Sanitary Survey Report.

There are two open violations listed on the US EPA SDWIS Federal Reports Search. Both open violations are for inadequate reporting on the Consumer Confidence Reports for 2019 and 2020.

2.3 Recommended Repairs and Improvements

2.3.1 General Plant

Given the isolated location of the station, remote monitoring should be installed to alert operations staff of any issues, and to continuously log information. Mission Monitoring would be suitable for achieving this and should be installed at this site. Prior to the installation of the Mission Monitoring System, a licensed electrical contractor should conduct a site visit to ensure that the monitoring system can be installed safely. If any electrical code or safety items are identified, repairs should be made.

There is no lighting at the site. It is recommended floodlights be installed so the site can be safely accessed at night.

2.3.1.1 Electrical Items

From the site visit and visual of the electrical components, replacement may be necessary for health and safety considerations and to ensure the equipment meets national and local electrical codes.

Additionally, vendors have indicated that they will not install their equipment in panels that do not meet code or that are significantly deteriorated. As such, it is recommended that a licensed electrical contractor conduct a visit to the site to make a final recommendation based on national and local electrical codes and provide a detailed cost estimate for the work. See Section 4 for a high-level cost estimate.

The emergency generator has been non-functional since 2017 and should be replaced. Back-up power is required, and a warning letter was issued in May 2019. There is a comment in the 2020 Sanitary Survey Report that states "While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of F.A.C. 62-555.320."

2.3.2 Source of Supply

The well pump motor has a leak that has been noted in the previous sanitary survey report. The leak sprays water when the pump is active and causes a pool of standing water surrounding the well and buildup of algae on the well casing, conduit, and associated piping. The motor should be replaced, and the well casing and associated parts should be cleaned and disinfected.

Figure 2-13: Pump Water Leak



Figure 2-14: Algae Buildup



The station currently only has one functioning groundwater well, Well 1 has not been used by the facility in many years, is currently valved-off, and does not have a similar capacity to Well 1. Neighborhood Utilities stated that Well 1

is a 100-foot deep well with a capacity of 100 gpm. Given the condition of Well 1, as shown in Figure 2-2, the existing Well 1 should be abandoned, and the existing pipe connections should be removed.

The F.A.C 62-55.315(2) states “A minimum of two wells shall be connected to each community water system that is using only ground water and that is serving, or is designed to serve, 350 or more persons or 150 or more service connections.”

Per F.A.C 62-55.315(3), an interconnection with an existing community public water system can meet the requirement stated above provided that “the total well capacity for the combined systems shall equal at least the total design maximum-day water demand for the combined systems and, with the largest producing well out of operation for the combined systems, shall equal at least the design average daily water demand, and preferably the design maximum-day water demand, for the combined systems.”

In the 2020 Sanitary Survey report, there is a comment about an existing interconnection with Jacksonville Electric Authority (JEA). Although Woodard & Curran does not have the details on the JEA system, it is likely Neighborhood Utilities meets the requirements listed because there is no open violation for the inactive well. It is recommended this be confirmed with JEA and FDEP to ensure that an additional well will not be required. The capital costs included herein do not include the design, permitting and installation of a new well.

2.3.3 Water Treatment and Pumping

A continuous in-line chlorine analyzer should be installed to monitor the concentration of chlorine and report back to Mission Monitoring. This would allow the operations staff to track if the dose is lower or higher than the target range. Currently, chlorine is monitored by grab samples taken by the operator, for onsite testing. The chlorine analyzer should be reagent-less (amperometric), and an infiltration well will likely need to be installed for the discharge water.

The secondary containment for the sodium hypochlorite should be replaced, the current secondary containment has holes in the walls that would not allow the containment to contain the entire volume of the chemical tank. In order to improve secondary containment for the chemical storage, a structure should be installed to prevent the secondary containment from filling with rainwater. In addition, a structure around the chemical drums will offer an added protection from damage. This can be accomplished by changing out the bulk tanks with a more compact 275-gallon intermediate bulk container (IBC), and storing the chemicals in an enclosed container such as the PIG IBC Roll Top Hardcover Spill Pallet, with a 360-gallon containment capacity. An example is shown in Figure 2-15.

Figure 2-15: PIG 275-gallon IBC and Enclosure



The system has a 6-inch Water Specialties meter on the prior to treatment, which is read by the operator and manually recorded. This will have to be replaced with a meter that has a 4-20 mA connection so that it can report flow back to the Mission Monitoring system.

High Service Pump 3 is not functioning and should be replaced with a new 15hp pump.

The most recent tank inspection report for GST2 stated that there were areas of heavy corrosion and metal loss along the tank walls, so the interior and exterior should be inspected and any areas with metal loss should be repaired. The interior should also be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion. The aerator on top of GST2 has a constant stream of overspray of water and sodium hypochlorite onto the exterior of the tank which causes major surface corrosion. Neighborhood utilities stated that they will periodically scrape away the corrosion and apply new paint to the tank once there is too much corrosion on the tank. The exterior of the tank should be coated to mitigate the corrosion of the aerator overspray.

Figure 2-16: GST2 Exterior Corrosion



The most recent tank inspection report for GST1 stated that the access hatch had complete hinge failure and heavy metal deterioration which does not allow the access hatch to seal properly. The access hatch provides an opportunity for contaminants to enter the storage tank and should be repaired. The report also noted corrosion above the waterline throughout the weld seams throughout the tank and uncovered openings present on roof allowing bio growth inside the tank. The tank interior and exterior should be inspected and any areas with metal loss should be repaired. The interior should also be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion.

The most recent storage tank inspection for the hydropneumatic storage tank noted the interior of the tank had moderate surface corrosion and oxidation noted throughout the tank above the water line and suggested repairs to the interior coating in the report. The interior should be sand blasted and re-coated with minimum of 5 mils DFT with epoxy to prevent further corrosion. The tank also stated that the tank could not be fully isolated due to a possible failed valve on the outlet causing incoming flow. The outlet valve should be replaced.

3. WATER DISTRIBUTION SYSTEM

3.1 Distribution System Description

The distribution system was built in 1991 and supplies water using 6 to 10-inch PVC water main in a loop configuration with blowoff valves on dead ends. The loop has gate valves to isolate sections if needed and 2-inch flushing hydrants throughout the system. Refer to Appendix E for a map of the water distribution system.

Neighborhood Utilities stated that the valves are not exercised on any regular frequency and that there are no backflow prevention devices in the distribution system. The system has 26 fire hydrants. The system supplies water to single homes, and each home has its own aboveground meter in the public right-of-way near the road. Neighborhood Utility currently collects readings from the meters manually once a month. There is a pending development of approximately 200 units in Chaffee Pines as shown in Appendix E.

3.2 Recommended Repairs and Improvements

An automatic flushing unit and chlorine analyzer is recommended to be installed at the dead-ends to help improve water turn over and water quality.

4. CAPITAL ESTIMATES

4.1 Triage Repairs

Repairs needed to address safety and liability hazards, as well as upgrades needed to bring Neighborhood Utilities to normal operating conditions are summarized with cost estimates in Table 4-1 and Table 4-2. The total cost estimate for Triage Repairs at Neighborhood Utilities is: **\$75,000**.

Table 4-1: General Plant Triage Repairs

Recommendation	Estimate
Install Flood Lights	\$1,000
Emergency Generator	\$35,000
Mission Monitoring at Well	\$10,000
Total	\$46,000

Table 4-2: Water Treatment and Pumping Triage Repairs

Recommendation	Estimate
Replace Well Pump Motor	\$11,000
Replace High Service Pump 3	\$18,000
Total	\$29,000

4.2 Improvements and Other Repairs

Recommendations were provided to increase the reliability for Neighborhood Utilities to supply consistent and safe drinking water, and for improved operation and maintenance. The recommendations and cost estimates are summarized in Table 4-3 through 4-6. The total cost estimate for Capital Improvements at Neighborhood Utilities is: **\$114,500**

Table 4-3: Source of Supply Capital Improvements

Recommendation	Estimate
Abandon Well 1	\$4,000
Total	\$4,000

Table 4-4: Water Treatment and Pumping Capital Improvements

Recommendation	Estimate
Continuous Chlorine Analyzer and Infiltration Well	\$9,000
Transmitters and Other Monitoring Equipment	\$2,500
Interior Tank Coating on GST1	\$10,000
Replace Access Hatch on GST1	\$7,000
Interior Tank Coating on GST2	\$19,000
Exterior Tank Coating on GST 2	\$25,000
Interior Tank Coating on Hydropneumatic Tank	\$2,000
Metal Loss Repair on GST 2	\$7,000
Replace Hydropneumatic Tank Outlet Valve	\$2,000
Total	\$83,500

Table 4-5: Transmission and Distribution Capital Improvements

Recommendation	Estimate
Automatic Flushing Unit	\$27,000
Total	\$27,000



woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS

EXHIBIT 6

Neighborhood Utilities
Exhibit 6

	2021	Y0	Y1	Y2	Y3	Y4	Y5
ERU's	447	447	447	447	447	447	447
Rate*	34.18	34.18	48.50	48.50	54.24	54.24	54.24
Revenue	183,323	143,280	260,154	260,154	290,943	290,943	290,943
Outside labor expenses	(176,445)	(104,412)	(108,066)	(111,848)	(115,763)	(119,815)	(124,008)
Administrative and office expense	0	(11,060)	(11,447)	(11,847)	(12,262)	(12,691)	(13,135)
Maintenance and repair expense	0	(3,232)	(3,346)	(3,463)	(3,584)	(3,709)	(3,839)
Purchased water	0	0	0	0	0	0	0
Purchased sewage treatment	0	0	0	0	0	0	0
Electric power expense (exclude office)	0	(4,821)	(4,989)	(5,164)	(5,345)	(5,532)	(5,725)
Chemicals expense	0	(4,426)	(4,581)	(4,742)	(4,908)	(5,079)	(5,257)
Testing fees	0	(343)	(355)	(368)	(381)	(394)	(408)
Transportation expense	0	0	0	0	0	0	0
Other operating expense	0	(11,956)	(12,375)	(12,808)	(13,256)	(13,720)	(14,200)
Total Operating Expense	(176,445)	(140,250)	(145,159)	(150,240)	(155,498)	(160,940)	(166,573)
Depreciation	(11,038)	(5,001)	(5,094)	(7,187)	(9,281)	(11,375)	(11,375)
Interest	(3,130)	0	0	0	(22,106)	(19,159)	(16,878)
Total Expenses	(190,613)	(145,251)	(150,253)	(157,427)	(186,885)	(191,475)	(194,827)
Operating Income	(7,290)	(1,971)	109,901	102,727	104,058	99,469	96,117
Income Tax	(11,442)	0	(29,124)	(27,223)	(27,575)	(26,359)	(25,471)
Net Income	(18,732)	(1,971)	80,777	75,504	76,483	73,110	70,646

*Rate reflects average bills per ERU assuming 5,000 gallons of usage per month

EXHIBIT 7

**NOTICE OF UTILITY'S PETITION TO ESTABLISH
AN ACQUISITION ADJUSTMENT**

DATE OF CUSTOMER NOTICE - ___/___/_____

CSWR-Florida Utility Operating Company, LLC (“CSWR-Florida”) has filed a Petition with the Florida Public Service Commission (the “Commission”), pursuant to rule 25-30.0371, Florida Administrative Code, to establish an acquisition adjustment for a non-viable utility system relating to its acquisition of the water facilities of Neighborhood Utilities, Inc.

CSWR-Florida’s Petition was filed with the Commission on October ___, 2025 and assigned Commission docket number _____.

In its next rate case, CSWR-Florida expects to consolidate its rates over all Florida customers. If the Commission grants the full acquisition adjustment requested by CSWR-Florida, the 5-year projected consolidated rate impact is \$0.17 per water customer, per month. If customer rates are not consolidated and the acquisition adjustment is applied to only the customers of Neighborhood Utilities, then the rate impact is projected to be \$2.49 per water customer, per month.

A copy of CSWR-Florida’s Petition is available on the Commission’s website at <https://www.psc.state.fl.us/dockets>.

CSWR-Florida can be contacted at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131, telephone (855) 476-1942 during the regular business hours of Monday-Friday from 7am-7pm. Any customer substantially affected by the Petition may file a motion to intervene in accordance with rule 28-106.205, Florida Administrative Code.