

FLORIDA PUBLIC SERVICE COMMISSION

Item 3

VOTE SHEET

February 3, 2026

FILED 2/3/2026

DOCUMENT NO. 00844-2026

FPSC - COMMISSION CLERK

Docket No. 20250023-WS – Application for staff-assisted rate case in Polk County, by NC Real Estate Projects, LLC d/b/a Grenelefe Utility.

Issue 1: Is the quality of service provided by Grenelefe satisfactory?

Recommendation: No. While the Utility is in compliance with the Department of Environmental Protection (DEP) standards, staff recommends that the Utility's attempt to address customer satisfaction could be improved. In addition, staff has identified managerial issues, such as the Utility's failure to maintain required complaint and service interruption records. As such, staff recommends that Grenelefe's quality of service be considered marginal, but that no penalty be imposed at this time. Staff further recommends that the Utility meet with its customers within three months of issuance of the Consummating or Final Order to discuss its quality of service issues. The Office of Public Counsel and Commission staff should be timely made aware of the meeting date, place, and time. Lastly, within one month after such meeting with its customers, the Utility shall file a report in this docket summarizing the results of the meeting.

APPROVED as modified.

Utility shall file quarterly reports that include:

- Status of projects
- Identity Line Breaks
- Notification of managerial changes and changes to contractual services to make fall-out adjustments.

COMMISSIONERS ASSIGNED: All Commissioners

Staff given administrative

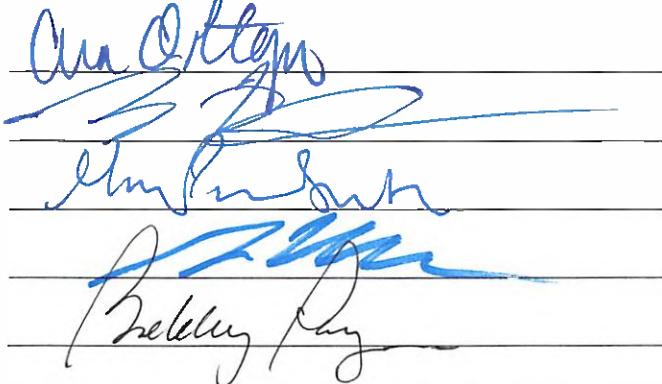
authority to make

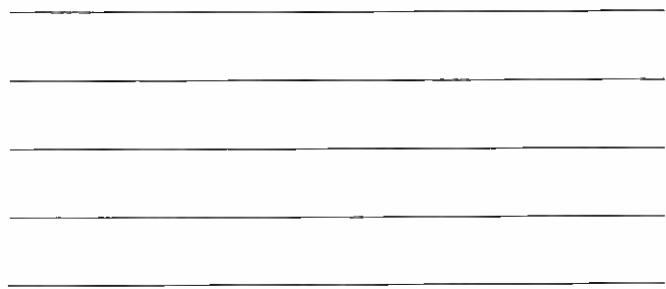
fall-out adjustments.

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING





REMARKS/DISSENTING COMMENTS: Oral Modification, assigned DN 00828-2026, is attached.

Grenelefe Utility handout is attached.

Oral Modification is approved.

(Continued from previous page)

Issue 2: Are the infrastructure and operating conditions of Grenelefe's water and wastewater system in compliance with DEP regulations?

Recommendation: Yes. Grenelefe's water and wastewater treatment facilities are in compliance with DEP regulations.

APPROVED

Issue 3: What are the used and useful (U&U) percentages of Grenelefe's water treatment plant (WTP), WWTP, water distribution, and wastewater collection systems?

Recommendation: Grenelefe's WTP, WWTP, water distribution, and wastewater collections systems should be considered 100 percent U&U. Additionally, staff recommends that a 53.9 percent adjustment to purchased power and chemicals should be made for excessive unaccounted for water (EUW). No adjustment is recommended for excessive infiltration and inflow (I&I).

APPROVED

Issue 4: What is the appropriate average test year rate base for Grenelefe?

Recommendation: The appropriate average test year rate bases for Grenelefe are \$1,866,312 for water and \$1,241,585 for wastewater. Further, staff recommends the Utility be required to submit a report no later than November 30, 2026, detailing the status of each Commission-approved pro forma project.

APPROVED

Issue 5: What is the appropriate return on equity and overall rate of return for Grenelefe?

Recommendation: The appropriate return on equity (ROE) is 10.51 percent with a range of 9.51 percent to 11.51 percent. The appropriate overall rate of return is 9.00 percent.

APPROVED

(Continued from previous page)

Issue 6: What are the appropriate test year revenues for Grenelefe's water and wastewater system?

Recommendation: The appropriate test year operating revenues for Grenelefe's are \$291,545 for the water system and \$254,027 for the wastewater system.

APPROVED

Issue 7: What is the appropriate amount of operating expense for Grenelefe?

Recommendation: The appropriate amount of operating expense for Grenelefe is \$571,555 for water and \$575,941 for wastewater.

APPROVED as modified.

25% reduction to salaries and wages

Issue 8: Does Grenelefe meet the criteria for application of the operating ratio methodology?

Recommendation: No, Grenelefe does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement.

APPROVED

Issue 9: What is the appropriate revenue requirement for Grenelefe?

Recommendation: The appropriate revenue requirement is \$739,456 for water and \$687,638 for wastewater, resulting in an annual increase of \$447,911 (153.63 percent) for water and \$433,611 (170.69 percent) for wastewater.

APPROVED

(Continued from previous page)

Issue 10: What are the appropriate rate structure and rates for Grenelefe's water and wastewater systems?

Recommendation: The recommended rate structure and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated January 22, 2026. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

APPROVED

Issue 11: What are the appropriate initial customer deposits for Grenelefe?

Recommendation: The appropriate initial customer deposits for the residential 5/8 inch x 3/4 inch meter size should be \$72 and \$89 for water and wastewater. Additionally, non-potable water customer deposits should be removed. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

APPROVED

Issue 12: Should Grenelefe's requested service availability charges be approved?

Recommendation: The service availability charges requested by Grenelefe should not be approved. Staff recommends service availability charges should be set as a plant capacity charge of \$147 for water and \$1,138 for wastewater. The Utility should file a revised tariff sheet to reflect the Commission-approved charges. The approved charges shall be effective for connections made on or after the stamped approval date on the tariff sheet. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice and the notice has been received by property owners who requested service beginning 12 months prior to the establishment of this docket. The Utility shall provide proof of noticing within 10 days of rendering the approved notice.

APPROVED

(Continued from previous page)

Issue 13: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated January 22, 2026, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Grenelefe should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

APPROVED

Issue 14: Should the recommended rates be approved for Grenelefe on temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Grenelefe should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Prior to implementation of any temporary rates, the Utility should provide appropriate security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis portion of staff's memorandum dated January 22, 2026. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

APPROVED

(Continued from previous page)

Issue 15: Should Grenelefe be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC USOA) primary accounts?

Recommendation: Yes. Grenelefe should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Utility should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline requesting an extension. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

APPROVED

Issue 16: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. In addition, this docket should remain open until (1) the report with the summary of the results of the customer meeting and (2) the report detailing the status of each of the Commission approved pro-forma projects has been submitted by the Utility. ~~Once these actions are complete, this docket should be closed administratively.~~

APPROVED as modified.

- The docket shall be placed in monitoring status for a period of 2 years and then closed administratively,
- Additional reporting requirements are addressed in Issue 1.

Nickalus Holmes

From: Braulio Baez <BBaez@PSC.STATE.FL.US>
Sent: Monday, February 2, 2026 4:36 PM
To: Amber Norris <amnorris@psc.state.fl.us>; Mark Futrell <MFutrell@PSC.STATE.FL.US>
Cc: Asha Maharaj-Lucas <AMaharaj@psc.state.fl.us>; Gabrielle McLeod <GMcleod@psc.state.fl.us>; Mark Cicchetti <MCICCHET@PSC.STATE.FL.US>; Tom Ballinger <TBalling@PSC.STATE.FL.US>; Elisabeth Draper <EDraper@PSC.STATE.FL.US>; Mary Anne Helton <MHelton@PSC.STATE.FL.US>; Shaw Stiller <SStiller@psc.state.fl.us>; Devlin Higgins <DHIGGINS@PSC.STATE.FL.US>; Adam Teitzman <ATEITZMA@psc.state.fl.us>; Hong Wang <HWang@PSC.STATE.FL.US>; Commissioners & Staffs <Commissioners&Staffs@PSC.STATE.FL.US>
Subject: RE: Request for Oral Modification - Docket No. 20250023-WS

Approved. Thank you!

From: Amber Norris <amnorris@psc.state.fl.us>
Sent: Monday, February 02, 2026 3:51 PM
To: Braulio Baez <BBaez@PSC.STATE.FL.US>; Mark Futrell <MFutrell@PSC.STATE.FL.US>
Cc: Asha Maharaj-Lucas <AMaharaj@psc.state.fl.us>; Gabrielle McLeod <GMcleod@psc.state.fl.us>; Mark Cicchetti <MCICCHET@PSC.STATE.FL.US>; Tom Ballinger <TBalling@PSC.STATE.FL.US>; Elisabeth Draper <EDraper@PSC.STATE.FL.US>; Mary Anne Helton <MHelton@PSC.STATE.FL.US>; Shaw Stiller <SStiller@psc.state.fl.us>; Devlin Higgins <DHIGGINS@PSC.STATE.FL.US>
Subject: Request for Oral Modification - Docket No. 20250023-WS

Good Afternoon,

Staff requests approval to make an oral modification to staff's recommendation in Docket No. 20250023-WS - Application for staff-assisted rate case in Polk County, by North Carolina Real Estate Projects LLC d/b/a Grenelefe Utility, currently scheduled for the February 3, 2026 Agenda Conference.

Subsequent to filing the recommendation, the Office of Public Counsel brought to staff's attention that an issue addressing a potential interim refund was omitted from the recommendation. The modification does not alter revenue requirement, but it presents staff's recommendation on whether any portion of the interim increases granted by the Commission should be refunded.

The text below reflects the type and strike changes to the staff recommendation. With these changes, there are no other impacts to staff's recommendation or calculations.

Issue 16, Page 47

Replace the entire issue with the attached file addressing the potential interim refund.

Issue 16, Page 47, Issue Numbering

Issue 17-16: Should this docket be closed?

Amber Mitchell Norris
Assistant Director
Division of Accounting and Finance
Florida Public Service Commission

AMNorris@PSC.STATE.FL.US

O: 850-413-6984

M: 850-508-3975

Issue 16: In determining whether any portion of the water and wastewater interim increases granted should be refunded, how should the refunds be calculated, and what are the amounts of the refunds, if any?

Recommendation: Staff recommends the proper refund amount should be calculated using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenue requirement granted. Based on this calculation, there is no refund required for the water system, and the Utility should be required to refund 14.7 percent, or \$83,390, for wastewater revenues collected under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C. Upon issuance of the consummating order in this docket, the corporate undertaking should be released after the appropriate amounts of interim revenues are refunded and the refund amounts are verified by staff.

Staff Analysis: By Order No. PSC-2025-0072-PCO-WS, issued March 11, 2025, the Commission authorized the collection of interim rates, subject to refund, pursuant to Section 367.082, F.S.¹ The approved interim revenue requirements were \$424,149 and \$567,422 for water and wastewater, respectively. This represents an increase of \$64,840, or 18.05 percent, for water and \$341,994, or 151.71 percent, for wastewater.

According to Section 367.082, F.S., any refund should be calculated to reduce the rate of return of the utility during the pendency of the proceeding to the same level within the range of the newly authorized rate of return. Adjustments made in the rate case test period that do not relate to the period interim rates are in effect should be removed. Rate case expense is an example of an adjustment which is recovered only after final rates are established.

To establish the proper refund amount, staff has calculated a revised interim revenue requirement utilizing the same data used to establish final rates. Rate case expense and any pro forma additions and expenses were excluded because these items are prospective in nature and did not occur during the interim collection period.

Using the principles discussed above, staff calculates that the \$567,422 wastewater revenue requirement granted in Order No. PSC-2025-0072-PCO-WS for the interim test year is greater than the revenue requirement for the interim collection period of \$484,032. The interim revenue requirement granted for water was less than staff's calculation. Thus a refund is not recommended for water. The Utility should be required to refund 14.7 percent, or \$83,390, of

¹ Order No. PSC-2025-0072-PCO-WS, issued March 11, 2025, in Docket No. 20250023-WS, *In re: Application for staff-assisted rate case in Polk County, by North Carolina Real Estate Projects LLC d/b/a Grenelefe Utility.*

wastewater revenues collected under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C.

Conclusion

Staff recommends the proper refund amount should be calculated using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenue requirement granted. Based on this calculation, there is no refund required for the water system, and the Utility should be required to refund 14.7 percent, or \$83,390, for wastewater revenues collected under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C. Upon issuance of the consummating order in this docket, the corporate undertaking should be released after the appropriate amounts of interim revenues are refunded and the refund amounts are verified by staff.

The Florida Senate

2025 Florida Statutes

<u>Title XXVII</u> RAILROADS AND OTHER REGULATED UTILITIES	<u>Chapter 367</u> WATER AND WASTEWATER SYSTEMS <u>Entire Chapter</u>	SECTION 081 Rates; procedure for fixing and changing.
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367.081 Rates; procedure for fixing and changing.—

(1) Except as provided in subsection (4) or subsection (6), a utility may only charge rates and charges that have been approved by the commission.

(2)(a)1. The commission shall, either upon request or upon its own motion, fix rates which are just, reasonable, compensatory, and not unfairly discriminatory. In every such proceeding, the commission shall consider the value and quality of the service and the cost of providing the service, which shall include, but not be limited to, debt interest; the requirements of the utility for working capital; maintenance, depreciation, tax, and operating expenses incurred in the operation of all property used and useful in the public service; and a fair return on the investment of the utility in property used and useful in the public service. However, the commission shall not allow the inclusion of contributions-in-aid-of-construction in the rate base of any utility during a rate proceeding, nor shall the commission impute prospective future contributions-in-aid-of-construction against the utility's investment in property used and useful in the public service; and accumulated depreciation on such contributions-in-aid-of-construction shall not be used to reduce the rate base, nor shall depreciation on such contributed assets be considered a cost of providing utility service.

2. For purposes of such proceedings, the commission shall consider utility property, including land acquired or facilities constructed or to be constructed within a reasonable time in the future, not to exceed 24 months after the end of the historic base year used to set final rates unless a longer period is approved by the commission, to be used and useful in the public service, if:

- a. Such property is needed to serve current customers;
- b. Such property is needed to serve customers 5 years after the end of the test year used in the commission's final order on a rate request as provided in subsection (6) at a growth rate for equivalent residential connections not to exceed 5 percent per year; or
- c. Such property is needed to serve customers more than 5 full years after the end of the test year used in the commission's final order on a rate request as provided in subsection (6) only to the extent that the utility presents clear and convincing evidence to justify such consideration.

Notwithstanding the provisions of this paragraph, the commission shall approve rates for service which allow a utility to recover from customers the full amount of environmental compliance costs. Such rates may not include charges for allowances for funds prudently invested or similar charges. For purposes of this requirement, the term "environmental compliance costs" includes all reasonable expenses and fair return on any prudent investment incurred by a utility in complying with the requirements or conditions contained in any permitting, enforcement, or similar decisions of the United States Environmental Protection Agency, the Department of Environmental Protection, a water management district, or any other governmental entity with similar regulatory jurisdiction.

(b) In establishing initial rates for a utility, the commission may project the financial and operational data as set out in paragraph (a) to a point in time when the utility is expected to be operating at a reasonable level of capacity.

(c) In establishing rates for a utility, upon its own motion or upon the request of a utility, the commission may authorize a utility to create a utility reserve fund for infrastructure repair and replacement for a utility for existing distribution and collection infrastructure that is nearing the end of its useful life or is detrimental to water quality or reliability of service, to be funded by a portion of the rates charged by the utility, by a secured escrow account, or

Petition for Standing
Internal Affairs Agenda
on 2/3/26
Item No. 3



MCDONALD GROUP INTERNATIONAL, INC.

C.A.-0007580

GEORGE J. McDONALD, P.E.
WATER, WASTEWATER & ENVIRONMENTAL ENGINEERING

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January 30, 2026

F. Marshall Deterding
Sundstrom Law Firm
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Subject Grenelefe Water Utilities, Wastewater Treatment Facility;
Statement on Environmental Compliance Costs

Dear Mr. Deterding;

In reply to your question, are the costs of the proposed improvements at the Grenelefe Wastewater Treatment Facility "Environmental Compliance Costs", as defined in Section 367.081 (2)(a)2 Florida Statutes, I can offer the following comments:

The cited section defines "Environmental Compliance Costs" as including "..all reasonable expenses and fair return on any prudent investment incurred by a utility in complying with the requirements or conditions contained in any permitting, enforcement, or similar decisions of the United States Environmental Protection Agency, the Department of Environmental Protection, a water management district, or any other governmental entity with similar regulatory jurisdiction."

As discussed in prior correspondence, this facility is within the jurisdictional limits of and is being required to comply with the Lake Okeechobee Basin Management Action Plan of 2020, which was adopted by FDEP Final Order OGC Case No. 20 - 0040, ordered January 31, 2020. Referencing table 20, page 60 of the BMAP, this requires compliance with a standard of 6 mg/L Total Nitrogen and 3 mg/L Total Phosphorus, based on facility capacity more than 0.1 MGD and less than 0.5 MGD and with effluent disposal or reuse to rapid rate land application systems.

(Its been communicated to me that the FDEP SW District may have mistakenly indicated to the PSC a standard of 10 mg/L TN was required, which applies to other reuse systems like public reuse and not rapid rate land application systems. Grenelefe is not permitted to discharge to any public reuse or "other" system save RRLA. Its been further communicated to me that the current permit which indicates a 10 mg/L TN standard is in error and a revision will be initiated by the SW DEP District. I believe the SW District has also updated the PSC on their earlier communication).

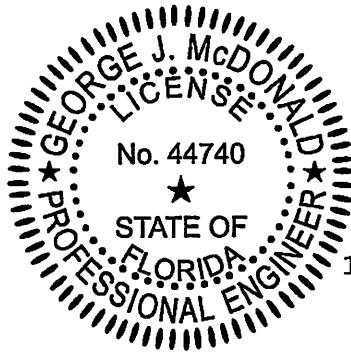
The existing facility does not and cannot meet a 6 mg/L TN reduction standard. It is a decades old extended aeration plant with no means for advanced reduction of nitrogen and has no features whatsoever to reduce Phosphorus. Through best operator technique in the last year the existing plant has reported Effluent TN of 10.1 to 23 mg/l, however, that is the best that can be accomplished with the facility that is there. (Effluent Phosphorus had ranged from 2.1 to 6 mg/L). It is a major, and not incremental project to reduce TN to 6 mg/L (and phosphorus consistently below 3 mg/L).

January 30, 2026
Greenelefe Water Utilitieis
Page 2

While the FDEP does not direct permittees what exact processes or modifications are to be made to comply with the applicable standards, they do review and approve through their permitting process the permittee's proposed actions to so comply. Once the permit is issued, those improvements are required to be done as per VI SCHEDULES of the issued permit. Failure to complete permitted improvements or meet the effluent discharge requirements can result in enforcement action. The Florida Department of Environmental Protection approved the planned improvements to comply with the BMAP by issuing a permit authorizing the necessary construction by a revision to the wastewater permit January 13, 2025.

Based on the foregoing, I believe the wastewater plant improvements that Greenelefe Water Utilities is pursuing and that we have been discussing with the PSC totaling an estimated 16 million dollars are "Environmental Compliance costs" as that term is defined under Section 367.081 (2)(a)2 Florida Statutes"

I trust this information is sufficient for your purposes.



Sincerely,
McDONALD GROUP INTERNATIONAL, INC..
George J
McDonald
George J. McDonald, P.E.

Digital signed by George J McDonald
Dkt: e415, cmcDonald Group International Inc.
dn:Qualifier=A01410C0000019C10367327705FAA14
,cmcDonald
Date: 2026-01-30 14:25:0-0500

Cc Scott House

This item has been digitally signed and sealed by George J McDonald PE on the date adjacent to the seal. Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies

COST PLUS PROPOSAL
FOR
Grenelefe Water Utilities LLC
GRENELEFE WASTEWATER TREATMENT
PLANT IMPROVEMENTS

Polk County, Florida

Marolf Environmental, LLC, of, Pasco County Florida,

Offers this cost-plus proposal for the construction of improvements to the GRENELEFE Wastewater Treatment Plant in Polk County Florida to Grenelefe Water Utilities LLC. The project entails the conversion of the existing treatment facility to a 0.495 MGD three basin Sequencing Batch Reactor process with nitrification and denitrification, chemical precipitation of phosphorus. Existing treatment plant facilities to be refurbished, converted and retained for flow equalization, sludge digestion, decant flow equalization, and chlorine contact disinfection. Project includes the consolidation and expansion of the facility's (4) rapid infiltration basins into two expanded and reconstructed rapid infiltration basins.

The proposing contractor, hereafter referred to as the Contractor, affirms the contractor is a licensed general contractor in the State of Florida qualified to do the work required. The Contractor further affirms that the Contractor has and can demonstrate project experience in the construction of domestic wastewater treatment plants with advanced nutrient control, and has the education, qualified labor, supervisory staff and all resources required to complete the project.

This proposal is made with the following recitals, acknowledgements and general conditions:

1. The contractor acknowledges receipt of and has carefully reviewed the project drawings, civil, structural, relating to the work in the above-entitled matter, has also visited and examined the project site, noting existing conditions of the in-service plant and site characteristics.
2. The contractor declares that he has based his proposal on the conditions as they exist on site and has noted all items of work required of the project that is not illustrated on the plans.
3. The contractor offers to furnish all labor, materials, equipment, tools, construction equipment and machinery, water, utilities, subcontractors, transportation, and other facilities and services necessary to fully and faithfully construct, perform and execute all work for the project in accordance with the design documents provided relating thereto.

4. Contractor proposes to be paid a fee as compensation equal to Thirty percent (30 %) of the Construction Cost, which said term is defined herein below, incurred in the construction of the Project.
5. The term "Construction Cost", as used herein, includes any and all fees and expenses incurred in the construction of the Project, including all costs of labor, allocated business overhead costs on labor, materials, installed equipment and material purchased costs, subcontractor and equipment rental costs. The following items are not to be charged as Construction Cost: Engineering, Architectural and design fees paid by Owner, any costs paid directly by Owner to vendors or subcontractors, and Contractor's capital expenses for permanently acquiring equipment that will remain with the Contractor.
6. The term "Project Cost" as used herein, is the Construction Cost plus Contractor's compensation.
7. In Exhibit A attached to this proposal, the Contractor has provided an estimate of the Project Cost. Exhibit A provides the Contractor's diligent and comprehensive analysis of the work effort required to complete the project. Exhibit A itemizes vendor costs of the equipment and materials to be used, the contractor's estimated hours of labor required to execute the project, allocated overhead costs, and costs of subcontractors where used in selected areas of work, plus the contractor's compensation for each listed item of work.
8. The Contractor proposes invoicing as follows: If a pay request is submitted by the Contractor no later than the 1st day of each calendar month, then no later than the 30th day of each calendar month, the Owner will make partial payments to the Contractor on the basis of a certified estimate of the work performed during the preceding calendar month by the Contractor. Such pay requests shall include: invoices of material or equipment ordered and paid to suppliers, vendors subcontractors; certified payroll information to indicate hours worked and cost of labor, accountant's annual calendar year statement on the multiplier used to allocate overhead costs on the on the cost of labor, plus contractors percentage based compensation of actual construction costs that month.
9. On owner acceptance of this proposal, Contractor and Owner will enter into negotiation on form of agreement.
10. Contractor proposes to maintain insurance and bonding for the project as follows:

COMPREHENSIVE GENERAL LIABILITY INSURANCE: \$1,000,000 combined single limit for each occurrence to include the following coverage: Operations, Contractual Liability covering this Agreement, Broad Form Property Damage ("x-c-u exclusion removed), Completed Operations and Personal Injury.

COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE: \$1,000,000 combined single limit for each occurrence.

WORKERS' COMPENSATION INSURANCE: As required by law.

PERFORMANCE/PAYMENT BONDS: Required, 100% of cost of project

In Exhibit B of this proposal contractor provides a copy of their standard insurance certificate.

11. The Contractor acknowledges the Owner's goal is to have the project substantially complete by October 31, 2026 and project delivery is to be via "Fast Track". "substantially complete" means the SBRs are constructed and supporting site civil work is in place to allow the units to commence receiving wastewater flow, commencing the reduction nitrogen and phosphorus to meet Basin Management Action Plan requirements, and the Owner can file a Notice to the Florida Department of Environmental Protection that wastewater treatment components are to be placed into operation.

Meeting this goal is qualified on the basis of several factors outside the control of the Contractor including but not limited to:

Effect of Federal government tariffs on the cost and availability of essential equipment and other materials

Extreme weather or other regional emergencies that may impede progress on the project

Owners ability to obtain complete and necessary financing for the complete project

Owners ability to furnish Notice to Proceed within 30 days of this proposal

Contractor's responsibility to provide emergency or rapid response services for other utilities

On proposal acceptance, Contractor will provide a detailed schedule of construction. Work is initially expected to commence with the headworks, rapid infiltration basin system and concrete structures. Mechanical and electrical distribution to follow.

12. The contractor offers to warrant all parts, equipment and labor against failure for a period of one year after final payment by Owner; provided however, that any defect that is hidden or latent shall be repaired or replaced within one (1) year of the date when Owner discovers such defect. The SBR equipment manufacturer shall provide a process guarantee in accordance with their standard purchase agreement.
13. By submission of this proposal, the contractor certifies, that this proposal bid has been arrived at independently, without consultation, communication or agreement as to any matter relating to this bid with any other competitor

14. Proposed contractor compensation and estimated pricing expires within 45 days of the date of his proposal.

THIS PROPOSAL DATED THIS 30 day of January, 2026, by

Marolf Environmental, LLC

Company Name


.....

Authorized Signature

Michael Williams, VP

Printed Name, Title

CGC1511379

Florida Contractor's License No.

4430 Erie Drive

New Port Richey, FL 34652

Address

Phone Number 727-843-0681 Fax Number 727-843-0650 Email Address mwilliams@marolf.com

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EXHIBIT A GRENELEFE WASTEWATER PLANT COST PLUS PROPOSAL ESTIMATE

EXHIBIT B CONTRACTOR'S INSURANCE CERTIFICATE

EXHIBIT A GRENELEFE WASTEWATER PLANT COST PLUS PROPOSAL ESTIMATE

ITEM	DESCRIPTION	Material and Equipment Cost	Unit	Unit Cost	Extension	Man Hours	Labor Rate	Over-head	Subcontractors and Rental Equipment	Margin	Total
EXISTING DEMOLITION AND SITE READINESS											
1.1	DEMOLISH EXISTING CONCRETE FLOW SPLITTER BOX AND BAR RACK	n/a	n/a	n/a	\$0	200	\$52.00	\$78.00	\$5,000.00	30%	\$40,300.00
1.2.1	PUMP WATER OUT OF PLANT NOT IN SERVICE: RAINWATER TO INFILTRATION BASINS; SLUDGE TO BE REMOVED BY OWNER SLUDGE HAULER; REMOVE VEGETATION AND DEBRIS	n/a	n/a	n/a	\$0	190	\$52.00	\$78.00	\$18,500.00	30%	\$56,160.00
1.2.2	REMOVE FROM PLANT NOT IN SERVICE ALL MECHANICAL EQUIPMENT	n/a	n/a	n/a	\$0	180	\$52.00	\$78.00	\$25,000.00	30%	\$62,920.00
SUBTOTAL											\$159,380.00
REPAIRS AND IMPROVEMENTS EXISTING TANKAGE											
1.3	INTERIOR WALLS OF TANKS IN OUT OF SERVICE PLANT DESIGNATED FOR REUSE AS FEQ AND Grit Chamber Repairs	n/a	n/a	n/a	\$0	40	\$52.00	\$78.00	\$180,000.00	30%	\$240,760.00
1.4	RECONSTRUCT DAMAGED WALKWAYS	60	cy	\$800.00	\$48,000	100	\$52.00	\$78.00	\$15,800.00	30%	\$99,840.00
1.5	IN SERVICE PLANT EXTERIOR CONCRETE REPAIRS	n/a	n/a	n/a	\$0	40	\$52.00	\$78.00	\$241,000.00	30%	\$313,300.00
1.6	REPAINT EXTERIOR										
1.7	INSTALL BACKUP SURGE TANK BLOWERS, REPLACE BLOWER:										
	-MANIFOLD										
	-AIR HEADER PIPING										
	-BLOWER MOTOR	45	LF	\$125.00	\$5,625	40	\$52.00	\$78.00	\$2,500.00	30%	\$17,322.50
	MISCEL FITTINGS AND MATERIALS	1	EA	\$11,500.00	\$11,500	24	\$52.00	\$78.00	\$3,500.00	30%	\$23,556.00
1.8	INSTALL NEW HYDROSTATIC SCREEN ATOP EX GRIT CHAMBER ROOF SLAB	1	LS	\$4,500.00	\$4,500	32	\$52.00	\$78.00	\$1,000.00	30%	\$12,558.00
	-SCREEN										
	-PLATFORM AND STAIRS	1	EA	\$277,842.00	\$277,842	40	\$52.00	\$78.00	\$1,500.00	30%	\$369,904.60
	-PIPEING	1	LS	\$49,000.00	\$49,000	80	\$52.00	\$78.00	\$1,000.00	30%	\$78,520.00
1.9	INSTALL NEW AIR HEADERS ORIGINAL PLANT	100	LF	\$125.00	\$12,500	32	\$52.00	\$78.00	\$2,500.00	30%	\$24,908.00
1.10	PIPING MODIFICATION, SURGE PUMPS	270	LF	\$125.00	\$33,750	80	\$52.00	\$78.00	\$2,500.00	30%	\$60,645.00
	-MISCEL FITTINGS AND MATERIALS	40	LF	\$125.00	\$5,000	60	\$52.00	\$78.00	\$1,500.00	30%	\$18,590.00
	SUBTOTAL	1	LS	\$7,500.00	\$7,500	32	\$52.00	\$78.00	\$1,000.00	30%	\$16,458.00
SBR CONSTRUCTION											
2	CONSTRUCT (3) SBR CHAMBERS: FOUNDATION SOILS PREPARATION AND TESTING FORM AND POUR CONCRETE HAND RAILS, STAIRS,	1636	LS	\$7,500.00	\$7,500	60	\$52.00	\$78.00	\$5,000.00	30%	\$26,390.00
			CY	\$3,000.00	\$4,908,000	2000	\$52.00	\$78.00	\$75,000.00	30%	\$6,815,900.00
			LS	\$65,000.00	\$65,000	120	\$52.00	\$78.00	\$5,000.00	30%	\$111,280.00

2.1	SBR EQUIPMENT: ORDER, DELIVER AND STORE		1	LS	\$1,229,063.00	\$1,229,063	40	\$52.00	\$78.00	10,000.00	30%	\$1,617,541.90
2.2	SBR INSTALLATION		1	LS	\$230,000.00	\$230,000	700	\$52.00	\$78.00	5,000.00	30%	\$423,800.00
2.3	DECANT FLOW EQUALIZATION PUMPS		1900	LF	\$350.00	\$665,000	500	\$52.00	\$78.00	5,000.00	30%	\$955,500.00
2.4	YARD PIPING		n/a	n/a	n/a	\$0	120	\$52.00	\$78.00	1,200,000.00	30%	\$1,580,280.00
2.5	SITE ELECTRICAL COSTS		1500	SF	\$30.00	\$45,000	650	\$52.00	\$78.00	75,000.00	30%	\$265,850.00
2.6	GENERAL SITE WORK AND RESTORATION											
	<i>SUBTOTAL</i>											\$11,796,541.90
	<i>RAPID INFILTRATION BASINS</i>											
3	CLEARING AND GRUBBING 9 AC by Subcontractor		n/a	n/a	n/a	\$0	40	\$52.00	\$78.00	225,000.00	30%	\$299,260.00
3.1	EXCAVATION/EARTHWORK, 1900 CY MOL		n/a	n/a	n/a	\$0	32	\$52.00	\$78.00	285,000.00	30%	\$375,908.00
3.2	GRADING, SY, 45000 SF		n/a	n/a	n/a	\$0	40	\$52.00	\$78.00	675,000.00	30%	\$884,260.00
3.3	SOD		10337	SY	\$5.00	\$51,684	80	\$52.00	\$78.00	25,000.00	30%	\$113,209.78
3.4	FENCING, 2700 FT 6' CHAIN LINK		n/a	n/a	n/a	\$0	40	\$52.00	\$78.00	54,000.00	30%	\$76,960.00
3.5	MONITOR WELLS, Construction and Testing		n/a	n/a	n/a	\$0	32	\$52.00	\$78.00	17,000.00	30%	\$27,508.00
3.6	EFFLUENT PIPING		2301	LF	\$125.00	\$287,625	650	\$52.00	\$78.00	50,000.00	30%	\$548,762.50
3.7	EFFLUENT PIPING DISCHARGE RISER ASSYS		18	EA	\$2,500.00	\$45,000	650	\$52.00	\$78.00	30,000.00	30%	\$207,350.00
	<i>SUBTOTAL</i>											\$2,533,218.28
4	<i>PROJECT SUBTOTAL</i> PERFORMANCE AND PAYMENT BONDS									\$275,896.29	30%	\$15,765,502.28 358,66 .18
	TOTAL PROJECT COST											\$16,124,167.45



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/15/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERs NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(s), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wallace Welch & Willingham, Inc. 300 1st Ave S, 5th Floor St. Petersburg FL 33701	CONTACT NAME: PHONE (A/C, No. Ext): 727-522-7777	FAX (A/C, No): 727-521-2902
	E-MAIL ADDRESS: certificates@w3ins.com	
INSURED Marolf Environmental, Inc. 4430 Erie Dr New Port Richey FL 34652	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: FCCI Insurance Company	10178
	INSURER B: Westchester Surplus Lines Insurance Company	10172
	INSURER C: Brierfield Insurance Company	10993
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES		CERTIFICATE NUMBER: 1460214448		REVISION NUMBER:					
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.									
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
B	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			G48894616 001	6/1/2025	6/1/2026	EACH OCCURRENCE	\$ 1,000,000	
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000	
C	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> Hired AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			CA10009477100	8/14/2024	8/14/2025	MED EXP (Any one person)	\$ 10,000	
							PERSONAL & ADV INJURY	\$ 1,000,000	
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE			G48894768 001	6/1/2025	6/1/2026	GENERAL AGGREGATE	\$ 2,000,000	
							PRODUCTS - COMP/OP AGG	\$ 2,000,000	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input checked="" type="checkbox"/> N	N / A	WC010009477200	8/14/2024	8/14/2025	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	
							BODILY INJURY (Per person)	\$	
B	Professional Liability Pollution Liability			G48894616 001 G48894616 001	6/1/2025 6/1/2025	6/1/2026 6/1/2026	E. L. EACH ACCIDENT	\$ 1,000,000	
							E. L. DISEASE - EA EMPLOYEE	\$ 1,000,000	
							E. L. DISEASE - POLICY LIMIT	\$ 1,000,000	
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)									

CERTIFICATE HOLDER

CANCELLATION

Information Purposes Only	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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Grenelefe Utility
Comparable Connection Fees
July 24, 2025
FEBURARY 2, 2026 UPDATE

	Inside	The	City		Outside	The	City
	Water	Wastewater	Combined		Water	Wastewater	Combined
Polk County	N/A	N/A	N/A		3,038	6,169	9,207
Toho Water Authority	N/A	N/A	N/A		6,650	3,293	9,943
City of Davenport	6,300	5,360	11,660		N/A	N/A	N/A
Town of Dundee	2,408	3,068	5,476		N/A	N/A	N/A
Town of Lake Hamilton	5,650	6,371	12,021		5,650	7,964	13,614
City of Lakeland	3,603	3,672	7,275		4,504	4,590	9,094
City of Auburndale	3,127	4,917	8,044		3,908	6,146	10,055
Averages	4218	4678	8895		4750	5632	10,383

	Water	Wastewater	Combined
Averages nearby	4484	5155	9639
Grenelefe Proposed	2402	7434	9836
Staff Proposed Interim	320	4942	5262
Staff Proposed Final	147	1138	1285