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REPLY TO ALTAMONTE SPRINGS

October 31, 2002

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

Re: Docket No. 020745-SU; Application of Island Environmental Utility, Inc., for
Original Certificate
Our File No.: 37025.01

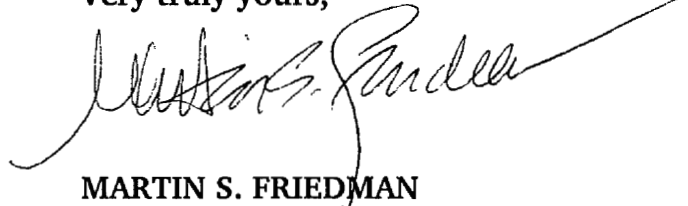
Dear Ms. Bayo:

In a recent e-mail, Pat Brady advised me that the attachments to my September 20, 2002, correspondence to you are missing. Therefore, enclosed please find another copy of my September 20, 2002, correspondence, with attachments, for filing in the above-referenced docket.

Please do not hesitate to give me call should you have any questions regarding this matter.

AUS
CAF
CMP
COM
GTR
ECR
GCL
OPC
MMS
SEC
OTH

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

DOCUMENT NUMBER - DATE
12068 NOV -4 2002

MSF/dmp
Enclosures

cc: Ms. Pat Brady (w/enclosures)

02 NOV 14 AM 10:12

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REPLY TO ALTAMONTE SPRINGS

September 20, 2002

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

Re: Docket No. 020745-SU; Application of Island Environmental Utility, Inc., for
Original Certificate
Our File No.: 37025.01

Dear Ms. Bayo:

In response to the Staff's August 16, 2002, letter requesting additional information in the above-referenced docket, the Utility provides the following information:

1. The Affidavit that Notices were provided to the individual property owners was filed on August 29, 2002, and was assigned Document #09136-02. The Affidavit that Notice was published as required by PSC Rules was filed on August 21, 2002, and assigned Document #08821-02.
2. The Utility has not yet entered into a long-term lease for continued use of the land upon which the plant facilities are located, however, it is currently negotiating such a lease and will file it with the Commission upon conclusion of the negotiations.
3. With regard to the establishment and documentation for the current rates and charges enclosed are Minutes of Meetings of the Board of Directors, the Tariff and Fee Schedule and a billing history for one of the customers.

DOCUMENT NUMBER-DATE

12068 NOV-4 02

FPSC-COMMISSION CLERK

4. There are a total of 450 lots within the service area and there are currently 210 connections, all but three of which are 3/4 x 5/8 inch meters. Attached is a schedule of the customers.
5. The territory not currently being served consists of the remainder of Thornton Key, which includes approximately 150 more connections; Don Pedro and Knight Island, which include approximately 750 more connections; and Little Gasparilla, which includes approximately 1000 more connections.
6. The legal description overlap with Bocilla Utilities, Inc., has been remedied by the filing of an Amended Legal Description on September 12, 2002, which was assigned Document #09672-02.
7. Enclosed are copies of Minutes of the Meetings wherein it was decided that the not-for-profit association did not want to continue to provide water and sewer service to its members indefinitely and to explore alternatives of transferring that responsibility to a provide Utility.
8.
 - (a) The Utility Charges no customer deposits.
 - (b) The Service Availability Charges are \$3,000 for water and \$3,000 for wastewater as reflected on the Minutes of the Board of Directors on October 9, 2000, a copy of which is enclosed.
 - (c) Enclosed is Revised Sheet No. 21.0 with the additional language.
 - (d) The new Utility has not yet created a customer bill but will file one upon the Commission's approval of this Application.
9. Utility Information:

Post Office Box 5145
Grove City, FL 34224
(941) 697-2070

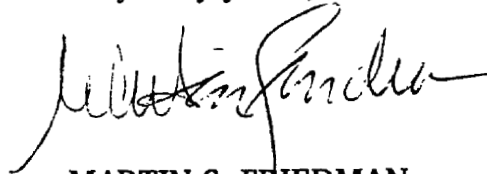
Ms. Blanca Bayo
September 20, 2002
Page 3

Liaison Information:

John R. Boyer
President
(Same as Utility information)

Should the Staff have any additional questions, please do not hesitate to have them contact me.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF:dmp
Enclosures

cc: Mr. John R. Boyer (w/o enclosures)
Mr. Dean L. Beckstead (w/o enclosures)

WATER TARIFF

Sample Application Form

Name _____

Telephone Number _____

Billing Address _____

City

State

Zip

Service Address _____

City

State

Zip

Date service should begin _____

Service requested:

Water ___ Wastewater ___ Both ___

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.
2. The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Florida Public Service Commission.
4. Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ___ days prior to the date the Customer desires to terminate service.
6. In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Florida Public Service Commission.

Signature

Date

DEAN BECKSTEAD
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: ISLAND ENVIRONMENTAL UTILITY, INC.

REVISED SHEET NO. 21.0
CANCELS ORIGINAL SHEET NO. 21.0

WATER TARIFF

Sample Application Form

Name _____

Telephone Number _____

Billing Address _____

City

State

Zip

Service Address _____

City

State

Zip

Date service should begin _____

Service requested:

Water ___ Wastewater ___ Both ___

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.
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3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Florida Public Service Commission.
4. Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ___ days prior to the date the Customer desires to terminate service.
6. In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Florida Public Service Commission.

Signature

Date

DEAN BECKSTEAD
ISSUING OFFICER

PRESIDENT
TITLE

KNIGHT ISLAND UTILITIES, INC.
MEMBERSHIP LIST (BY UNIT)

PIV 1		PIV II	
BAERWALDE, ROBERT & RHOND.	1724	ALFRED, TED & CATHERINE	2811
BECKSTEAD, DEAN	1511	ANDERSON, AUTHUR & JUDY	2224
BRUCKER, PERRY DR.	1313	BADCOCK, MICHELE	2613
BUTLER, DAVID & JOYCE	1213	BRIGGS, DEANE & JONYE	2622
CARROZO, WILLIAM & GAY	1124	ELLSWORTH, WILLIAM & CATHLE	2522
CLARBOUR, RALPH & MARY	1622	FALCK, BRIAN & CYNTHIA	2313
DOWING, FRANK & DELORES	1824	FARRIS, PHILLIP & BARBARA	2124
EDWARDS, STEVE & CAROL	1613	FITZGERALD, ROBERT & JANE	2422
FRIES, LU A.	1211	FOX, WILLARD & NELL	2311
HARRIS, GARY	1711	GLUCK, FREDERICK	2424
INSKO, HARRY & SALLY	1813	GREENE, 'WILLIAM & CHRISTINE	2813
JAMES, RICHARD & JEANNIE	1713	HARGROVE, MARK & BARBARA	2822
LEVIN, FREDERICK & SANDRA	1411	HARRICK, JOE & BUNNY	2911
LINDNER, RICHARD	1722	HAUSKE, THOMAS & ANITA	2611
LORIMER, JAMES & BARBARA	1522	HOCK, MARY	2011
MARLER, JON & REBECCA	1513	HODGSON, JOHN	2922
MILLS, THOMAS & ALANE	1624	JOHNSON, JOHN & CLAIRE	2322
MYKRANTZ, JANE	1822	KEMP, M.CLIFF & PATRICIA	2722
OSBORNE, STEVE & CHARLENE	1324	KUEBEL, RICHARD & LAUGHREN	2411
PLYMOUTH HOLDINGS, IN.C	1111	MCGOWEN, EUGENE & SUSAN	2213
PRESCOTT, RICHARD	1424	MEAGHER, EDWARD & LILLIAN	2013
RICHARD, EDWARD	1224	MINOR, JOHN & NANCY	2711
SCHLOSSER, GERALD & MARJOF	1113	MITCHELL, WAYNE & DONNA	2724
SCHWARTZ, HAROLD & SUDIE	1422	MORALES, WALTER & EILEEN	2913
SMITH, VANCE	1122	PATTERSON, MARY	2111
SPURLIN, MARK & TAMELA	1322	PERSONS, BRANTLEY	2024
STEIER, ANTHONY & SANDRA	1311	PETROFSKY, STEPH & HANNAH	2513
STOREY, BOB	1413	PSB PROPERTIES, INC.	2624
THUROW, JOHN & AUDREY	1611	PTACEK, (GENE & MARY	2324
VETTER, JOAN	1811	REIF, FRED & BARBARA	2222
WILLIAMSON, DOUGLAS	1222	SCHMEIZER, RICHARD & KATHY	2022
YORK, WILLIAM	1524	STRINGEF, GENE & CHRISTIE	2713
		TOMPA, JOE & DIANE	2824
		VANDERVEEN, GILBERT&LINDA	2113
		VINCIGUERRA, LOUIS & ANNE	2524
		WALL, JOHN & NANCY	2413
		WEAVER, MELVIN & MARY	2211
		WEBSTER, COLIN & SUSAN	2122
		WETTLAUFER, EMILY	2511
		YAVORSKY, BRAD & JULIE	2924

BEACH
VILLAS

BEACH
VILLAS

ALLEN, LARRY & JACKIE 3514
 ANDERSON, BRUCE & SHANN 3624
 BADCOCK, MICHELLE E. 3421
 BAIRD, BRENT 3612
 BENOCK, GERALD & THERESA 3121
 BOERKE, DAVID 3113
 BRENNAN, COLLEEN 3622
 BROWN, STUART & MICHELLE 3213
 BUTLER, ROBERT & ANN 3212
 COSTELLO, DAN & SUSAN 3611
 DEAN, RONALD & LARRY 3422
 DINGMAN, RICHARD & CYNTHIA 3524
 DISHMAN, DAVID 3424
 DUFFUS, JAMES & ADA F. 3723
 DUPONT, LAMONT & CLAIRE 3224
 ELLSWORTH, SUZANNE 3621
 ELLSWORTH, WILLIAM & DORIS 3324
 FINK, RICHARD & DEANNE 3322
 FOSTER, JULIAN & TIERNEY 3321
 FRICKE, WILLIAM & CAROLYN 3521
 GASSERT, JACK & JEAN 3211
 GILLESPIE, EDWARD & MARY 3123
 GREER, ROBERT & JEAN 3523
 HAMANN, DAVID & SUZANNE 3323
 HAMANN, DAVID & SUZANNE 3122
 HAYDEN, DR. ALDEN & MARY 3223
 HILL, R. PATRICK & BRENDA 3411
 JIMENEZ, JERRI KAY 3712
 KAPLAN, RCHARD & ANNETTE 3114
 KENT, TERRY & SHARON 3711
 KLEIN, PETE & CAELAN 3412
 KUSHEN, MARILYN 3713
 LAPE, PHILLIP & ANN 3214
 LONG, PAUL & JANICE 3124
 MATTHEWS, JACK & LAURA 3722
 MCINTYRE, DUANE & DEBORAH 3423
 MORETTA, PAUL & MARJORY 3222
 MUNDEN, FORREST & WANDA 3312
 NARD, WALLACE & JOSETTE 3724
 PELOT, RICHARD & JANET 3313
 PERKINS, JANE 3613
 PRIESNITZ, MICHEAL 3512
 RENTON TRUST (B.HARRIS) 3721
 RIVERS, LESLIE 3413
 ROBB & STUCKEY 3112
 ROUM, CHARLES & CAROL 3221
 RUSSELL, JAMES & DOROTHY 3311

SETTINGINGTON, DOUG & LINDA 3522
 SIMPSON, PATRICIA 3511
 SONDERGELT, SUE 3414
 TORNQVIST, JANI/CHRISTENSEN 3314
 VOINOVICH, JANET 3111
 WEBER, RAMONA 3623
 WILLCOX, MARY 3714
 WOODWORTH, JACK & MARGARI 3614
 ZUBRIN, ROBERT & INEZ 3513

**SMALL LOTS 105,106,107,108
 BAY VILLAS BUILDING #50**

DAVIES, JEAN 5024
 DUNCAN, DAVID & NANCY 5011
 HART, DENNIS & ANDREA 5013
 WELTY, KENNETH & MARTHA 5022

**SMALL LOTS 109,110,111,112
 BAY VILLAS BUILDING #51**

CASWELL, LOIS & ORVILLE 5113
 MAURER, HARLAN & CLAUDIA 5111
 MASTERS, DAVID & ROSEMARY 5122
 SPADAFORA, JOSEPH & EILEEN 5124

**SMALL LOTS 113,114,115,116
 BAY VILLAS BUILDING #52**

	SMALL LOTS #		SFH UNITS #
BENDER, THOMAS	7,8,9	BELLOWS, TIMOTHY & ANNE	43
HOCK, DON & GLORIA	10,11,12	BERRETTINI, MORANDO & SONDI	49
RYAN, NANCY	1,2,3	BURGER, ROBERT & HELEN	45
WILEY, HENRY & SARAH	4,5,6	CONNEL, JAMES & CHRISTINE	46
		HASSENBERG, MARK & CAROL	39
		HASSENBERG, MARK & CAROL	40
	LANDS END#	HOOPER, LIKDSAY & CANDICE	41
		MADION, CARL & DIANE	48
ADAMS, DR. CHARLES & MARG	20	NICOSIA, SANTO & LOUISE	51
ASLIN, MALCOLM & KATHY	15	ROBBINS, STEPHEN & LISA	52
BAKER, SUSAN	34	SLANE, ROBERT & SANDRA	50
BENNETT, JAMES & LEIGH	35	YANES, BASEL	44
BOLTZ, RAY & CAROL	19	ZINTL, WILLIAM & ANN	42
BORGES, JOHN & MARY	31		
BRICKLEMYER, KEITH & CAROLY	33		
DOERFLING, DANIEL & NANCY	26		
DOLLOFF, LAWRENCE & SUSAN	24		GFH UNIT #
EDWARDS, JAMES	13		
FULLGRAF, CHARLES & CHARLO	38		
HEBBLE, CHARLES & POLLY	29	AUER, DR. ARTHUR & MARIAN	62
JENNY, CATHERINE	14	BAKER, SUSAN	64
LITTLE GASPARILLA LIMITED	17	BYRNES, MARC & VIKKI	57
MAILLOUX, RICHARD & PAT	18	GRB FAMILY TRUST	60
MARTIN, ROBERT & MARY	23	GIFFORD, LINDA	53
MORRIS, STEPHEN & AMANDA	30	GREESON, ROGER & JOYCE	55
NEELY, JOHN & SUSAN	36	GUPTA, RAJAT & ANITA	65
RION, JOHN & BARBARA	37	IDE, RICHARD & NANETTE	61
ROBBINS, STUART & JOYCE	25	I.H.B.C.	68,69,70,71
SCHWARM, ARTHUR & KAREN	32	KUHNLEI, JEROME & COLLEEN	58
SOTO, AMANDO & JEAN	27	MATHEW, WARREN	54
WEAVER, SUSAN LYNN	22	MULLEN, MICHAEL & GAIL	56
WEIS, D. JAMES	16	NAZARRO, GEORGE	72
WRIGHT, WILLIAM & VICKI	28	PATIENCE, JOHN & DIANE	66
ZAINULBHAJ, ADIL&MAKDUDA	21	PHILLIP, SUSAN	59
		WALTHER, DAVID & SALLY	63
	BAYSIDE TWIN#		RUM COVE #
ANGLE, MONICA	90/00		
BECKSTEAD/FITZSIMMONS	87/88	BECKSTEAD, DEAN	7
BEDNARZ, EDWARD & JEWELL	77/78	BECKSTEAD, DEAN	6
CHARLOTTE HARBOR PARTNER	91/92	GUPTA, RAJAT	8
I.H.B.C.	105-116	GUPTA, RAJAT	9
LIGHTFOOT, JOHN	83/84	JACOBSON, JEFFERY & SYLVIA	2
MORRISON, JOHN & LESLIE	79/80	KONSTANT, PAUL & DONNA	3
NANGLE, RICHARD & SUSAN	75/76	KUEBEL, RICHARD & LAUGHREN	4
NEESER, DENNIS & RUTHANNE	85/86	ROBBINS, STUART & JOYCE	5
SCHMITZ, ROBERT	81/82	SLANE, ROBERT & SANDRA	10
STEVENS, MORGAN & ALLISON	73/74	SLANE, ROBERT & SANDRA	11
STRAND, RICHARD & MARY	89/00	USEPPA INN & DOCK	1

SEASIDE
UNIT #

UNITS

AVILLA, JOE/SEELBACH, WM.	6	SOUTHBAY	
BECKSTEAD TRUST	28	(88 UNITS) I.H.B.C.	88
BECKSTEAD, GARFIELD & SANAE	33		
CHARLOTTE HARBOR PARTNER	32		
CHARLOTTE HARBOR PARTNER	34	GULF COTTAGES	
EARLE, GLEN	8	918 UNITS) I.H.B.C.	18
FLYNN, GERALD & MAUREEN	26		
GAMBLE, MILLARD & JONE	1		
GEHERIN, MARK & JENNIFER	24	PIR CLUBHOUSE I.H.B.C.	1
GRB FAMILY TRUST	35		
HAYES, ROBERT & SUE	4		
HAUSKE, THOMAS & ANITA	10	RUM BAY RESTAURANT I.H.B.C.	1
HEALEY, SEAN & KERRY	5		
HIPPENMEYER, PHYLLIS	25		
I.H.B.C.	16		
I.H.B.C.	17		
I.H.B.C.	19	TOTAL VOTES	356
I.H.B.C.	21		
I.H.B.C.	29		
I.H.B.C.	30		
CANNON, TERRY A.	20		
JOHNGEN, W. ALLAN	27		
JONASSEN, WILLIAM	31		
MEHRA, SANJEEV	9		
MONTAG, D. & FERNANDEZ, A.	35		
REARDON, ROBERT & LISA	15		
ROBERT/HILL	22		
ROBERT/HILL	23		
SEAR, TIMOTHY	11		
SEASIDE SEVEN, LLC, J.RYAN	7		
VALENTE, LOUIS	18		
WEIFFENBACH, CARL&MARY A	13		
WEIFFENBACH, CARL&MARY A	14		
WELHAM, BRIAN	3		

CUSTOMER HISTORY (CONTINUED)

Account # 01511 Name: Beckstead Dean Location ID: 37 Balance: \$ 389.41

Date	Code	Description	Previous	Present	Used	Charge	Payment	Balance
3/10/00	BFWD	Added as a single charge				\$ 87.50		\$ 87.50
3/16/00	BFWD	Check 244					\$ 87.50	\$ 0.00
3/23/00	WATER	WATER	330,280	338,520	8,240	\$ 73.41		\$ 73.41
3/23/00	SEWER	SEWER				\$ 20.96		\$ 94.37
3/22/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 110.52
3/22/00	SEWER	SEWER				\$ 20.96		\$ 131.48
3/22/00	WATER	WATER	338,520	346,470	7,950	\$ 34.00		\$ 165.48
3/22/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 188.74
3/16/00	CMSWR	Check 324					\$ 16.15	\$ 172.59
3/16/00	CMWTR	Check 324					\$ 23.26	\$ 149.33
3/16/00	SEWER	Check 324					\$ 41.92	\$ 107.41
3/16/00	WATER	Check 324					\$ 107.41	\$ 0.00
3/20/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 23.26
3/20/00	SEWER	SEWER				\$ 18.34		\$ 41.60
3/20/00	WATER	WATER	346,470	353,910	7,440	\$ 29.75		\$ 71.35
3/20/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 87.50
3/17/00	SEWER	SEWER				\$ 15.72		\$ 103.22
3/17/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 119.37
3/17/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 142.63
3/17/00	WATER	WATER	353,910	360,350	6,440	\$ 25.50		\$ 168.13
3/19/00	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 184.28
3/19/00	CMWTR	COMMODITY WATER				\$ 23.26		\$ 207.54
3/19/00	SEWER	SEWER				\$ 18.34		\$ 225.88
3/19/00	WATER	WATER	360,350	367,740	7,390	\$ 29.75		\$ 255.63
3/11/01	CMWTR	Check 377					\$ 69.78	\$ 185.85
3/11/01	WATER	Check 377					\$ 85.00	\$ 100.85
3/11/01	SEWER	Check 377					\$ 52.40	\$ 48.45
3/11/01	CMSWR	Check 377					\$ 48.45	\$ 0.00
3/9/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 23.26
3/9/01	SEWER	SEWER				\$ 15.72		\$ 38.98
3/9/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 55.13
3/9/01	WATER	WATER	367,740	373,510	5,770	\$ 25.50		\$ 80.63
3/9/01	WATER	WATER	373,510	379,600	6,090	\$ 25.50		\$ 106.13
3/9/01	SEWER	SEWER				\$ 15.72		\$ 121.85
3/9/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 138.00
3/9/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 161.26
3/6/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 177.41
3/6/01	SEWER	SEWER				\$ 15.72		\$ 193.13
3/6/01	WATER	WATER	379,600	385,760	6,160	\$ 25.50		\$ 218.63
3/6/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 241.89
3/9/01	SEWER	SEWER				\$ 20.96		\$ 262.85
3/9/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 286.11
3/9/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 302.26
3/9/01	WATER	WATER	385,760	393,690	7,930	\$ 34.00		\$ 336.26
3/2/01	SEWER	SEWER				\$ 13.10		\$ 349.36
3/2/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 365.51
3/2/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 388.77
3/2/01	WATER	WATER	393,690	398,940	5,250	\$ 21.25		\$ 410.02
3/1/01	WATER	Check 154					\$ 51.00	\$ 359.02
3/1/01	SEWER	Check 154					\$ 31.44	\$ 327.58
3/1/01	CMSWR	Check 154					\$ 32.30	\$ 295.28
3/1/01	CMWTR	Check 154					\$ 46.52	\$ 248.76
3/1/01	CMWTR	COMMODITY WATER				\$ 23.26		\$ 272.02
3/1/01	WATER	WATER	398,940	403,960	5,020	\$ 21.25		\$ 293.27
3/1/01	SEWER	SEWER				\$ 13.10		\$ 306.37
3/1/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 322.52
3/1/01	WATER	WATER	403,960	409,070	5,110	\$ 21.25		\$ 343.77
3/1/01	CMSWR	COMMODITY SEWER				\$ 16.15		\$ 359.92
3/1/01	SEWER	SEWER				\$ 13.10		\$ 373.02

WATER SEWER (COMMODITY)

Account # 01511 Name: Beckstead Dean Location ID: 37 Balance: \$ 389.41

Date	Code Description	Previous	Present	Used	Charge	Payment	Balance
7/19/01	CMWTR COMMODITY WATER				\$ 23.26		\$ 396.21
8/17/01	WATER WATER	409,070	414,950	5,880	\$ 25.50		\$ 421.71
8/17/01	SEWER SEWER				\$ 15.72		\$ 437.50
8/17/01	CMSWR COMMODITY SEWER				\$ 16.15		\$ 453.65
8/17/01	CMWTR COMMODITY WATER				\$ 23.26		\$ 476.91
8/28/01	WATER Check CK 219					\$ 102.00	\$ 374.91
8/28/01	SEWER Check CK 219					\$ 62.88	\$ 312.03
8/28/01	CMWTR Check CK 219					\$ 93.04	\$ 218.99
8/28/01	CMSWR Check CK 219					\$ 64.60	\$ 154.39
9/20/01	CMWTR COMMODITY WATER				\$ 23.26		\$ 177.65
9/20/01	SEWER SEWER				\$ 15.72		\$ 193.37
9/20/01	CMSWR COMMODITY SEWER				\$ 16.15		\$ 209.52
9/20/01	WATER WATER	414,950	420,740	5,790	\$ 25.50		\$ 235.02
10/24/01	SEWER SEWER				\$ 13.10		\$ 248.12
10/24/01	CMSWR COMMODITY SEWER				\$ 16.15		\$ 264.27
0/24/01	CMWTR COMMODITY WATER				\$ 23.26		\$ 287.53
0/24/01	WATER WATER	420,740	426,010	5,270	\$ 21.25		\$ 308.78
0/29/01	CMSWR Check 255					\$ 32.30	\$ 276.48
0/29/01	WATER Check 255					\$ 46.75	\$ 229.73
0/29/01	CMWTR Check 255					\$ 46.52	\$ 183.21
0/29/01	SEWER Check 255					\$ 28.82	\$ 154.39
1/19/01	CMWTR COMMODITY WATER				\$ 23.26		\$ 177.65
1/19/01	WATER WATER	426,010	429,660	3,650	\$ 17.00		\$ 194.65
1/19/01	CMSWR COMMODITY SEWER				\$ 16.15		\$ 210.80
1/19/01	SEWER SEWER				\$ 10.48		\$ 221.28
2/19/01	CMSWR COMMODITY SEWER				\$ 16.15		\$ 237.43
2/19/01	CMWTR COMMODITY WATER				\$ 23.26		\$ 260.69
2/19/01	WATER WATER	429,660	434,620	4,960	\$ 21.25		\$ 281.94
2/19/01	SEWER SEWER				\$ 13.10		\$ 295.04
1/18/02	WATER Check 307					\$ 63.75	\$ 231.29
1/18/02	SEWER Check 307					\$ 39.30	\$ 191.99
1/18/02	CMSWR Check 307					\$ 48.45	\$ 143.54
1/18/02	CMWTR Check 307					\$ 69.78	\$ 73.76
2/23/02	SEWER SEWER				\$ 13.10		\$ 86.86
2/23/02	CMWTR COMMODITY WATER				\$ 23.26		\$ 110.12
2/23/02	CMSWR COMMODITY SEWER				\$ 16.15		\$ 126.27
2/23/02	WATER WATER	434,620	439,890	5,270	\$ 21.25		\$ 147.52
2/21/02	CMSWR COMMODITY SEWER				\$ 16.15		\$ 163.67
2/21/02	CMWTR COMMODITY WATER				\$ 23.26		\$ 186.93
2/21/02	WATER WATER	439,890	444,980	5,090	\$ 21.25		\$ 208.18
2/21/02	SEWER SEWER				\$ 13.10		\$ 221.28
2/20/02	CMWTR COMMODITY WATER				\$ 23.26		\$ 244.54
2/20/02	CMSWR COMMODITY SEWER				\$ 16.15		\$ 260.69
2/20/02	WATER WATER	444,980	450,160	5,180	\$ 21.25		\$ 281.94
2/20/02	SEWER SEWER				\$ 13.10		\$ 295.04
1/17/02	CMWTR COMMODITY WATER				\$ 23.26		\$ 318.30
1/17/02	WATER WATER	450,160	457,890	7,730	\$ 34.00		\$ 352.30
1/17/02	SEWER SEWER				\$ 20.96		\$ 373.26
1/7/02	CMSWR COMMODITY SEWER				\$ 16.15		\$ 389.41

MINUTES OF ANNUAL MEMBERSHIP MEETING
OF
KNIGHT ISLAND UTILITIES, INC.

The meeting was called to order at 8:15AM on August 30, 1997 by the President, Dean Beckstead, who stated a quorum was present. There were 197 members present either in person or by proxy. Also present representing management of the Utility were Ron Dubin and Wayne Griffin. Those members present were:

William Jonassen - Unit # 3713 & # 3714
Richard & Jeannie James - Unit # 1713
Gene & Mary Jane Ptacek - Unit # 2324

The President read the minutes from the last annual meeting. A motion was made to accept the minutes by Gene Ptacek and seconded by Richard James. A general discussion was held about the general operation of the utility company followed by a short question and answer period.

The next agenda item was the election of the new Board of Directors. Nominations from the floor were requested, there were none. The current Board members consisting of Dean Beckstead, Robert Pierce and William Jonassen were elected unanimously for one year terms.

The next agenda item was the review of the financial statements. Ron Dubin reviewed the year ending financial statement in detail followed by a question and answer period. The member capital account currently has a positive balance of \$65.52 per member. A motion to approve the financial statements was made by William Jonassen and seconded by Dean Beckstead.

The next agenda item was a discussion of the proposed 1997 budget, followed by a review of the Utility rate schedule. The major change in this year's budget was the implementation of Reserves for capital expenditures for the water plant. This provision for Reserves for future replacement of the water tank liner and water plant R/O filters necessitates a need to increase water fees for the first time in four years. Instead of increasing the per gallonage rates, the Board and members present voted to increase the base rate from \$35.95 to \$39.41 per month, to cover these new reserves. This increase will be reflected in your August billing. It was also noted that Knight Island Utilities rates for water and sewer service are still lower than most local water and sewer utility companies in Charlotte County. A copy of the comparison is enclosed. A motion to approve the budget was made by William Jonassen and seconded by Gene Ptacek.

An in-depth discussion was had concerning the need to replace the liner in the water tank. It has been leaking for some time and the current repair is very temporary. We have received several quotes and are waiting for a few more. The estimated cost is \$25,000 - \$30,000.

There being no further business, a motion to adjourn was made by Gene Ptacek and seconded by Richard James at 9:15AM.

BOARD OF DIRECTORS MEETING
OF
KNIGHT ISLAND UTILITIES, INC.

The Board of Directors meeting was called to order at 9:17AM.
The first order of business was the election of officers. The
officers elected by unanimous vote were:

PRESIDENT:	DEAN BECKSTEAD
VICE PRESIDENT/SECRETARY:	ROBERT PIERCE
TREASURER:	WILLIAM JONASSEN

The Board empowered Dean Beckstead to sign loan documents on
behalf of the utility company to install a new liner in the water
tank. Motion by William Jonassen, seconded by Dean Beckstead
(Jonassen also made a motion that Mr. Beckstead sign contract
with the liner company. Seconded by Beckstead.)

There being no further business, a motion to adjourn was made by
William Jonassen and seconded by Dean Beckstead. The meeting was
adjourned at 9:22AM.

BOARD OF DIRECTORS MEETING OF KNIGHT ISLAND UTILITIES
OCTOBER 9TH, 2000

The Board of Directors meeting was called to order at 10:00 am. The first order of business was the election of officers. The officers elected by unanimous vote:

President:	Dean L. Beckstead
Vice President, Secretary:	Robert Pierce
Treasurer:	William Jonassen

The discussion was held regarding the adequacy of the connection fees to expand the water and sewer systems in the future. Upon motion by William Jonassen, seconded by Robert Pierce it was unanimously agreed to increase the connection fees for water to \$3,000 per connection and sewer to \$3,000 per connection affective immediately.

A discussion was held regarding the possible transfer of the service area to a registered public utility. Upon motion by Robert Pierce, seconded by William Jonassen it was reaffirmed that the resolution passed on the 30th day of September 1999 continues to be the will of the board. There being no further business the meeting was adjourned at 10:00 am.

KNIGHT ISLAND UTILITIES TARIFF & FEE SCHEDULE

COMMODITY SEWER - \$16.15

COMMODITY WATER - \$23.26

SEWER USE - \$2.62 PER M GALLON

WATER USE - \$4.25 PER M GALLON UP TO 10,000 GALLONS
\$6.37 PER M GALLON OVER 10,000 GALLONS

CONNECTION FEES WATER - \$3,000

CONNECTION FEES SEWER - \$3,000

KNIGHT ISLAND UTILITIES, INC.
7092 PLACIDA ROAD
CAPE HAZE, FL 33946

ANNUAL MEETING
AUGUST 15, 2002

Meeting was called to order by President Dean Beckstead at 9:00a.m. Present were Dean Beckstead, Wayne Griffin, Mike McFarland with Bill Jonassen, Ron Harris and Bob Pierce attending via conference call. A quorum was established with proxies and members present.

MINUTES from the September 18, 2001 meeting were presented with a motion to accept and approved by Bill Jonassen seconded by Bob Pierce.

ELECTION OF DIRECTORS: Nominated were Dean Beckstead, William Jonassen, and Robert Pierce. There being no further nominations, nominations were closed and the nominees were approved unanimously.

OLD BUSINESS: Dean Beckstead reported on his discussions with other utilities regarding possible takeover of the Knight Island Utilities franchise area. At this time no other utility has stepped forward to be considered per our previous resolutions.

FINANCIAL STATEMENT was reviewed. The cash surplus, including depreciation, was \$36,000 actual versus a budget of \$45,000. The greatest increases in expenses were identified in Utilities, Repairs & Maintenance and Taxes/Licenses. A motion was made by Robert Pierce and seconded by William Jonassen to approve the financial statement. Vote was unanimous.

NEW BUSINESS: A discussion was held regarding capacities of both the sewer and water plants. It was noted that there is a growing public health concern and possible legislative move against the dispersion of sludge on open land that could impact dramatically our sewer rates. It was also noted that our utility and its President were charged by DEP earlier this year as illegally spreading sludge, which could have resulted in substantial fines. After investigation and discussion these charges were dropped, as it was the sludge hauler who was at fault. It is noted that these type of environmental concerns continue to escalate both for the water and sewer operations.

In the short term our sewer capacity is adequate. In the long term the sewage operations will need expanded. In the short term our water capacity is not adequate during periods of peak occupancy. Plans were discussed to increase water storage capacity by approximately 100,000 gallons over the next 3-5 months as the only short term method of helping this problem. The alternative would be plant expansion, which would require 24 months and over \$400,000 investment. A motion by William Jonassen and seconded by Robert Pierce was made authorizing the President to proceed with the Lessor to address increasing storage capacity by constructing a second storage tank, modify the existing lease to cover the cost of this expansion and if necessary to raise the water rates to accommodate the additional lease costs. The vote was unanimous.

The Board discussed at length the proposed termination of lease agreement as presented by the President. In accordance with previous resolutions and in the long term interests of the members of Knight Island Utilities, a motion was made by William Jonassen and seconded by Robert Pierce to authorize the President to sign the termination of lease subject to the following conditions being added to the agreement:

1. The new utility company(s) receive Public Service Commission approval for service areas.
2. Board of Directors of Knight Island Utility Inc. approve:
 - (1) The sale of the backhoe and any other major assets to the new utilities.
 - (2) The Distribution of reserve funds between Lessor and Lessee as determined by analysis of useful life remaining.
 - (3) Any major repairs to bring system to First Class condition prior to turnover as requested by Lessor.
 - (4) Dissolution plan for the corporation to be prepared by the President.
3. Removal of Paragraph 10 of the current proposed termination agreement and add a paragraph requiring Lessor and Lessee to jointly agree that the Utility is in First Class condition and agree to release each other of any liability before the closing of the transaction.

There being no further business a motion was made to adjourn by Robert Pierce and seconded by William Jonassen at 9:38a.m.

**Knight Island Utilities, Inc.
7092 Placida Rd.
Cape Haze, FL 33946
Board of Directors Meeting
August 15, 2002**

The Board of Directors meeting was called to order at 9:45 a.m. The first order of business was the election of officers. By unanimous vote, the officers elected were:

President:	Dean Beckstead
Vice President/Secretary	Robert Pierce
Treasurer:	William Jonassen

There was no further business to discuss and the meeting was adjourned at 9:50 a.m.