



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION
CLERK

DATE: March 30, 2010
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Patricia L. Brady, Regulatory Analyst IV, Division of Economic Regulation *pb*
RE: Docket No. 100085-WU – Application for certificate to operate water utility in Lake County by Black Bear Reserve Water Company.

The attached documents have been provided by Black Bear Reserve Water Company in support of its March 22, 2010, letter to the Clerk [02056-10]. Please file them appropriately in the docket file. Thank you.

1. Agreement for Operation of Water Plant
2. Black Bear Reserve Water Company, Inc. – Policies and Procedures Handbook.
3. Agreement for Operationn of Reuse Water System.
4. Capacity Development Financial and Managerial Operational Plan

DOCUMENT NUMBER-DATE
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AGREEMENT FOR OPERATION OF WATER PLANT

This Agreement for Operation of Water Plant (the "Agreement") is made effective as of this 2 day of January, 2004, by and between BLACK BEAR RESERVE WATER COMPANY, INC., a Florida corporation, whose address is 500 Wekiva SPRING Rd., Suite 500, Longwood, FL 32779, and CHALCOPYRITE INVESTMENTS, INC., a Florida corporation, whose address is Post Office Box 326, Sorrento, Florida 32776.

Definitions, Exhibits and Recitals

1. **Definitions:**

(A) "Operator" shall mean and refer to CHALCOPYRITE INVESTMENTS, INC., a Florida Corporation.

(B) "Owner" shall mean and refer to BLACK BEAR RESERVE WATER COMPANY, INC., a Florida Corporation.

(C) "Plant" shall mean and refer to Black Bear water plant located on the land described as Tract M, Upson Downs, according to the plat thereof as recorded in Plat Book 36, Page 4, of the Public Records of Lake County, Florida, including all equipment and facilities now and hereafter existing on such land, and including specifically the water plant, distribution lines, machinery, equipment and related property.

(D) "Project" shall mean and refer to the full operation and provision of Potable water services for the benefit of the Property described hereafter and all improvements located thereon now or hereafter.

(E) "Property" shall mean and refer to all of the real property and any improvements located thereon now or hereafter described as follows:

UPSON DOWNS, according to the plat thereof as recorded in Plat Book 36, Pages 4 through 9, inclusive, Public Records of Lake County, Florida; and

VILLAGE AT BLACK BEAR, according to the plat thereof as recorded in Plat Book 43, Pages 58 through 62, inclusive, Public Records of Lake County, Florida; and

ESTATES AT BLACK BEAR RESERVE, according to the Plat thereof as recorded in Plat Book 43, Pages 80 through 84, inclusive, Public Records of Lake County, Florida; and

CLAR-MART SUBDIVISION, according to the Plat thereof as recorded in Plat Book 30, Page 82, Public Records of Lake County, Florida; and

Black Bear
Owner

Chalcopyrite
Operator

DOCUMENT NUMBER-DATE
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CLAR-MART SUBDIVISION PHASE II, according to the Plat thereof as recorded in Plat Book 45, Pages 78 - 80, Public Records of Lake County, Florida; and

Any and all additional property which may require water service in the future.

2. Exhibits:
- A. Project Characteristics
 - B. 2004 to 2014 Operating Budget/DEP Financial Management Plan
 - C. Insurance Coverage

3. Owner is a Florida corporation and has acquired ownership of the Plant and the Project for the purpose of providing service for all of the Property and the improvements located thereon, both existing and hereafter.

4. Owner and Operator have agreed as set forth herein that Operator is and shall be engaged as the independent contractor for the operation of the Plant and the Project during the term hereof on the condition that Operator continues to provide all water services required for the Property as provided under this Agreement.

NOW THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The parties acknowledge and agree that the foregoing Recitals, Definitions, and Exhibits are true and correct, and are hereby incorporated by this reference.

2. Engagement of Services. Owner hereby engages the services of Operator as an independent contractor for the continuous operation of the Plant and the Project in order to provide water services to all of the Property and the intended use and operation thereof, including all improvements located on the Property now or hereafter.

3. Services of Operator. Operator shall provide full and continuous services for full operation of the Plant and Project in order to provide all water services required for the Property and all improvements located thereon from time to time. These services shall include:

(a) Delivery of Water Service. Operator shall provide continuing water service directly to and for the benefit of the Property and all improvements located thereon within the Property. The water service to be provided by Operator from the Plant shall be at all levels of quality and capacities sufficient to service all of the Property, and in accordance with all requirements set forth in the Project Characteristics identified in Exhibit A attached hereto. Operator shall provide all such water services, and operate the Plant and the Project, in accordance with all requirements of the Florida Department of Environmental Protection (DEP) and all other applicable authorities. Operator specifically shall perform, or cause to be performed, all laboratory testing and sampling required now or hereafter for continuous

SSWC
Owner

da
Operator

operation of the Plant and Project in accordance with the requirements of FDEP and any other applicable authorities.

(b) Connection Fee and Meter. The rate structure to be applicable to the Plant and the Project, as more fully described in sub-paragraph (d) hereafter, shall include a connection fee for each lot or portion of the Property connecting to the water services of the Project, payable by each applicable owner of a lot or a portion of the Property as a customer of water services from the Plant. Such connection fee shall be payable by the owner of each lot or portion of the Property (customer) at the time of connecting to the water services lines and facilities for such lot or portion to the Property. As a condition to payment of such connection fee, Operator shall install a water meter by and for the benefit of each lot or other portion of the Property.

(c) Rates and Collections. The rate structure for the payment of water services to each lot or portion of the Property existing as of the date of this Agreement is set forth in the Operating Budget and FDEP Financial Management Plan attached to this Agreement as Exhibit B. Operator shall ensure that the continuing fees and expenses of any nature for water services to each lot or portion of the Property shall be uniformly applied to all of the Property and lands acquiring water service from the Plant and Project. Operator shall perform all meter readings, billings, bill collections and customer service functions required or appropriate for full and continuous operation of the Project in a timely manner. All revenues collected from water customers as owners of lots or portions of the Property in accordance with these billing procedures for water services shall be deposited into a banking account maintained by Operator solely for operations of the Plant and Project and for payment of Operator's fees. Operator shall provide to Owner a summary of the collections and payments made by Operator pursuant to the terms of this Agreement.

(d) Costs of Plant and Project. Owner shall pay, at its sole expense, any and all costs and expenses whatsoever incurred for the continuing administration, operation, and maintenance of the Project and for any and all repairs and capital improvements required or appropriate for the Project and the continuing water services to be provided to the Property or portions thereof from time to time, including but not limited to, insurance, labor and personnel costs, legal expenses, and accounting costs. Operator shall establish and maintain an updated schedule for all maintenance, repairs, and capital improvements for all components of the Plant and Project facilities and equipment. Operator shall implement and maintain an operations safety program for the Plant in any and all rehabilitation, expansion and modifications of the Plant and Project in order to comply with all applicable governmental regulations or requirements.

(e) Subcontractors and Records. Operator has hired the services of the personnel or subcontractors for the current operations of the Plant and the Project. Operator shall be responsible, at Owner's sole expense, for maintaining all such personnel or subcontractors as may be required for the full operation of the Project and the provision of the water services described hereunder. All such personnel or subcontractor shall hold current licenses, certificates, or other authority to perform the work required of such persons or entities, and Operator shall ensure that all such personnel or subcontractors meet all applicable certification requirements of the State of Florida. Operator shall cause to be prepared and submitted, at Owner's sole expense, reports and other information for the Plant and the Project as may be required by all Federal,

State, and other applicable authorities. Operator shall establish and maintain an updated inventory of all equipment, chemicals, facilities or other property used and required for operations of the Plant and the Project. All of the foregoing records and information, and all other records or information related to the Plant or the Project, shall be made available for inspection by Owner on at least an annual basis.

4. **Project Revenues.** As compensation for its services hereunder, Operator shall be paid 20% of all gross revenues received from the operation of the Project. For advance clarification, the parties acknowledge that they anticipate that revenues from operations of the Project initially will be insufficient to pay all costs of operations of the Project as provided in this Agreement, including Operator's compensation, and, as a result thereof, Owner shall be required to fund the continuing operational costs of the Project.

5. **Independent Contractor.** It is understood that the relationship of Operator to Owner is that of independent contractor. Neither party, one to the other, shall be considered a consumer nor a merchant pursuant to any consumer or trade practices, laws or regulations, and the parties specifically agree that the application of any such laws or regulations to the terms and conditions herein is inappropriate.

6. **Attorney's Fees.** In the event of any dispute arising out of or relating to this Agreement, the prevailing party shall be entitled to reimbursement of its attorneys fees and costs incurred on all trial and appellate levels and whether or not suit is brought.

7. **Warranties.** Owner shall keep in force all warranties, guarantees, easements, permits, and licenses that have been granted to Owner and are not transferred to Operator under this Agreement.

8. **Mutual Indemnity.** Operator and Owner each agree to indemnify, defend and hold harmless the other (and the other's affiliates, officers, directors, employees, agents, and representatives) from and against any losses, liabilities, causes of action for property damage and bodily injury, including death, other claims of any type, damages and expenses (including attorneys fees and costs) to the extent arising out of or resulting from the negligent or willful acts or omissions, or the breach of any representations and warranties, or the non-fulfillment of any covenant under this Agreement of the indemnifying party (or the indemnifying party's employees, agents or representatives). The terms and provisions of this section shall survive the expiration or termination of this Agreement.

9. **Environmental Indemnity.** Owner shall indemnify, defend and hold harmless Operator, (and its affiliates, officers, directors, employees, agents and representatives), from and against any and all losses, liabilities, claims, demands, causes of action and expenses (including attorneys fees and costs) arising or resulting from (a) any environmental condition on, in, under, around or at the Property and/or (b) any violation of any environmental laws, provided, however, the foregoing indemnity shall not apply to the extent that any such losses result from the negligent or willful acts or omissions of Operator, its employees, agents or subcontractors. The terms and provisions of this section shall survive the expiration or termination of this Agreement.

10. **Fines and Penalties.** Operator shall be liable for any fines or civil penalties imposed by a regulatory agency for violations of the water quality requirements that are a result

of Operator's negligence. Owner will reasonably assist Operator to lawfully contest any such fines in administrative proceedings and/or in court prior to any payment by Operator.

11. Insurance Coverage. Each party shall obtain and maintain insurance coverage of a type and in the amounts described in Exhibit "C". Each party shall name the other party as an additional insured on all insurance policies covering the Project, except workers compensation, and shall provide the other party with satisfactory proof of insurance on an annual basis.

12. Limitation of Remedies. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR OTHER DAMAGES OTHER THAN ACTUAL DIRECT DAMAGES, REGARDLESS OF WHETHER SUCH DAMAGES ARISE UNDER BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR ANY OTHER THEORY OF LAW OR EQUITY; PROVIDED, HOWEVER, THAT OPERATOR SHALL BE RESPONSIBLE FOR THE PAYMENT OF ANY PENALTIES OR FINES LEVIED BY A GOVERNMENTAL BODY AND ARISING SOLELY AND DIRECTLY OUT OF OPERATOR'S NEGLIGENCE OR WILLFUL MISCONDUCT.

13. Operator's Maximum Liability. OPERATOR'S LIABILITY FOR THE PERFORMANCE OR NON-PERFORMANCE OF ANY OBLIGATIONS UNDER THIS AGREEMENT (WHETHER ARISING UNDER BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR ANY OTHER THEORY OF LAW OR EQUITY) AND OPERATOR'S INDEMNITY OBLIGATIONS SHALL NOT EXCEED \$250,000 IN THE AGGREGATE.

14. Term. The term of this Agreement shall be for a period of ten (10) years commencing on the date of the execution of this Agreement by both parties. This Agreement shall automatically be renewed for an additional ten (10) year period unless at least one hundred twenty (120) days prior to the expiration of the initial ten (10) year term, Owner delivers written notice to Operator of its intent not to renew this Agreement. Owner shall not be entitled to give such notice to Operator if it has been in default during the term of this Agreement.

15. Termination.

Owner shall be required to deliver written notice of default to Operator as a condition precedent to its termination of this Agreement. In the event Operator defaults in its obligations under this Agreement and receives written notice of default from Owner and such default is reasonably susceptible of a cure while Operator continues to provide such water services, then Operator shall be entitled to a period of time from Owner's written notice to cure such default for at least the same period of time which may be allowed by the applicable governmental or other authorities. In the event of a breach by Owner for non-payment of Operator's compensation, Operator may immediately terminate this Agreement. Operator may terminate this Agreement at any time without cause by giving Owner sixty (60) days prior written notice.

16. General Provisions.

(a) Descriptive Headings. The descriptive headings herein are inserted for convenience for reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Rdl wc
Owner

[Signature]
Operator

(b) Entire Agreement; Assignment; Amendment. This Agreement (a) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other prior agreements and understanding, both written and oral, among the parties with respect to the subject matter hereof; (b) shall not be assigned by operation of law or otherwise except that Owner may assign this agreement to any person controlling, controlled by or under common control with Owner, and (c) may not be amended without the written consent of all parties hereto.

(c) Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be deemed given and effective when delivered by telex or telecopies, or by Express Mail, Federal Express, Parolator or like service, or on the third mail delivery day after it is deposited in the United States mail, postage prepaid by certified or registered mail, return receipt requested.

If to Operator: Chalcopyrite Investments, Inc.
P.O. Box 526
Sorrento, Florida 32779
Attn: Mark Carson
Fax: ()
Phone: (907) 234-1077

With a copy to: Leo Bruengeman
270 Weymouth Ct, Ste 110
Lake Mary, FL 32746
Attn:
Fax: (407) 268-3036
Phone: (407) 268-3446

If to Owner: Black Bear Reserve Water Company, Inc.
500 Wekiva Springs Road, Suite 500
Longwood, Florida 32779

With a copy to: Albert Ford
270 Weymouth Ct, Ste 110
Lake Mary, FL 32746
Attn:
Fax: (407) 268-3036
Phone: (407) 268-3446

at such other address as either party hereto may designate by giving written notice in the
foresaid manner.

(e) Waiver. No delay or failure on the part of any party hereto in exercising
any right, power or privilege under this Agreement or under any other instrument given in
connection with or pursuant to this Agreement shall impair any such right, power, or partial
exercise of any such right, power or privilege shall preclude the further exercise of such right,
power or privilege or the exercise of any other right power or privilege. No waiver shall be valid
against any party hereto unless made in writing and signed by the party against whom
enforcement of such waiver is sought and then only to the extent expressly specified therein.

(f) Severability. If all or any portion of any provision of the Agreement shall
to any extent be held invalid or unenforceable in whole or in part by a court or agency having
valid jurisdiction in a valid decision or decree to which both Owner and Operator are parties,
then the parties expressly agree to be bound by any lesser covenant imposing the maximum legal
liability permitted by law that is substituted within the terms of such covenant, as if the resulting
covenants were separately stated in and made part of this Agreement, and the remainder of this
Agreement shall remain in full force and effect.

(g) Drafting Ambiguities. Each party to this Agreement and its counsel have
reviewed and revised this Agreement. The normal rule of construction to the effect that any
ambiguities are to be resolved against the drafting party shall not be employed in the
interpretation of this Agreement or of any amendments or exhibits to this Agreement.

(h) Florida Law. This Agreement shall be governed by and interpreted in
accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates
indicated below.

Chalcopyrite Investments, Inc.,
a Florida corporation
By: [Signature]
Print Name: WILLIAM R. CARSON
Title: PRESIDENT
Date: FEB 1 2004

Black Bear Reserve Water,
Company, Inc., a Florida corporation
By: [Signature] ^{NOT FOR}
Print Name: LEE ANN CARSON ^{PROFIT}
Title: Vice President
Date: 2/1/04

D.I.P. By
DIO Ret. G.P.
A. Corp.

BB/H&A, a Fla. NOT
FOR profit Corp.

[Signature] Owner [Signature] Operator



Black Bear Reserve Water Company, Inc.

PO Box 440, Eustis, FL 32727

Phone 352-483-9522

Policies and Procedures Handbook

24525 County Road 44A
Eustis, FL 32726

Office: (352) 483-9522

Fax: (352) 483-9523

Black Bear Reserve Water Company, Inc. Policies and Procedures Handbook

Mission Statement

"The mission of the Water Utility is to provide proper treatment for, and distribute water to the residents of Black Bear reserve for the lowest practical costs in a prudent, reasonable and responsible manner."

Black Bear Reserve Water Company Policies and Procedures Handbook

Introduction

Black Bear Reserve Water Company, Inc. is a Homeowners Association owned utility. It consists of the central water system that provides the potable water and fire protection strictly to the homes located in Black Bear Reserve. It has no affiliation with the City of Eustis.

The community of Black Bear Reserve is located in the Wekiva River Basin, which is one of the most environmentally sensitive areas in the United States. The St. Johns River Water Management District promotes and enforces policies for water conservation.

A reliable water supply is one of the most important elements of a community, not only must sufficient quantities of water at adequate pressure be available, but the water must also be safe for human consumption.

Proper treatment and distribution is that which suitably exceeds the minimum requirements established by the Florida Department of Environmental Protection agency and reflects the environmental care required by the community.

The lowest practical level of cost is not the absolute least expenditure, but rather the level of funding that permits proper treatment and protects the existing investment in facilities and resources.

A prudent, reasonable and responsible manner of accomplishing this mission includes providing a safe and pleasant working environment for our employees, treating the public with the respect and courtesy they deserve, providing policy makers with factual and relevant information on which they can make informed decisions, and efficiently using technology, material, and human resources to produce effective results for the overall benefit of the community.

Black Bear Reserve Water Company, Inc.
Utilities Handbook

Index

1.1 Application for Service.....	1
1.2 Rates.....	1
1.3 Billing.....	2
1.4 Irrigation.....	3
1.5 Liens and Meter Removal.....	3
1.6 Customer Facilities and Maintenance.....	3
1.7 Calibration and Replacement Meters.....	4
1.8 Right of Way and Access.....	4
1.9 Limits of Liability.....	5
1.10 Florida Statute 812.14.....	5
1.11 Non-Accepted Systems.....	5
1.12 Fire Protection Requirements.....	5
1.13 Resale of Water.....	6
1.14 Subservicing by Customer.....	6
1.15 Backflow Prevention Assemblies.....	6

Exhibit 1: Black Bear Reserve Water Company, Inc. Rate Structure.

Exhibit 2: Black Bear Reserve Water Company, Inc. Irrigation Watering Schedule.

Exhibit 3: Florida Statute 812.14, Trespass and Larceny with Relation to Utility Fixtures.

Black Bear Reserve Water Company
Policies and Procedures Handbook

1.1 Application For Service

Application for the water utility from residents of Black Bear Reserve is made through Black Bear Reserve's Water Department currently located at 24525 County Road 44A, Eustis, Florida. A customer or a duly authorized agent may apply for service at the water department.

To set up Utility Service the customer will need to provide:

- * Drivers License or Identification Card
- * Warranty Deed or Proof of Ownership
- * \$150.00 deposit

Black Bear Reserve Water Company is a Homeowners Association owned utility, so, only homeowners may apply for water service. It is the responsibility of the homeowner to keep the account in good standing.

Each vacant lot owner and homeowner agrees to abide by all current and future provisions of this Utilities Handbook.

1.2 Rates

Black Bear Reserve Water Company's rate structure was created to help promote conservation and keep the community within its water allocation per the St. Johns River Water Management District permitting requirements.

Black Bear Reserve Water Company is a Homeowners Association owned company and operates in a not for profit status.

The governmentally required personnel and affiliated consultants required to operate the water company are a fixed cost. The cost of lines and infrastructure are additionally a fixed cost, this fixed cost is shared by all lot owners in the community equally within the availability fee as designed in the monthly bill. The customer is provided an allocation, which represents what the water company's permitted allocation is. If members go above the permitted allocation a tiered billing schedule is invoked in order so as to maintain maximum conservation and the potential for a limited liability from governmental agencies for excessive use.

All Platted lots pay the minimum availability fee. This includes developer owned lots, builder owned lots, investor owned lots, privately owned lots, bank owned lots and individually owned lots.

**Black Bear Reserve Water Company, Inc. may elect to change the rate structure and allocations based upon governmental requirements and regulations from time to time. Currently the rate structure is analyzed every 6 months.*

A full break down of Black Bear Reserve Water Company, Inc. rates can be found in Exhibit 1.

1.3 Billing

Meters are read on the last day of each month. Bills are produced and sent to the customer no later than the third day of the month. All bills are due on the 25th of each month. Any customer who does not pay the bill by or on the 25th will be subject to an \$8.00 late fee.

Door tags are sent to any customer who has a past due bill as a courtesy reminder. After the door tags are placed the customer will have 3 business days to pay the bill. If the bill is not paid on the third day by 3:00 pm, water services will be disconnected.

Any properties disconnected will be subject to an \$80.00 reconnect fee during normal business hours and a \$150.00 reconnect fee after hours or on holidays.

Black Bear Reserve Water Company, Inc. cannot make an exception to this policy.

1.4 Irrigation

The reclaimed system is only operated by contract with Black Bear Reserve Water Company, Inc.

See Exhibit 2 for watering schedule.

1.5 Liens and Meter Removal

Intent to lien letters will be mailed to the homeowners after a period of 45 days past due.

If the account is not in good standing 45 days after the intent to lien is mailed the lien will be recorded in Lake County Public Records.

Meters are removed at the Water Company's discretion due to non-payment of bill for more than 6 months or as a result of tampering or damage.

1.6 Customer Facilities and Maintenance

Black Bear Reserve Water Company, Inc. is not responsible or liable for the customer's utility system beyond the following points of service:

- * Potable Water: after the customers meter or backflow prevention assembly.
- * Reclaim Water: after the customers meter.

Black Bear Reserve Water Company, Inc. is not responsible for investigating or informing the customer of a leak on the customer's side of the meter. As a courtesy, the water company makes a reasonable effort to inform the customer of a leak on the customer's side if noticed during routine meter reads or maintenance. When the water company turns on water service and the field service representative notices that the meter is turning, the water will be

immediately turned off and a notice will be left advising the customer why the water is not turned on. When requesting service to be turned on, it is the responsibility of the customer to make sure all valves, faucets, and hoses are turned off. The Water Company does not assume any responsibility for or liability arising because of the condition of plumbing or apparatus on the premises of the customer. Metered water is property of the customer. The Water Company is not liable for loss or damage to any person or property whatsoever resulting directly or indirectly from the use or misuse or presence of metered water on the customer's premises.

1.7 Calibration and Replacement Meters

Calibration of meters is \$80.00 per meter. If the meter shows damage or malfunction, calibration and installation of a new meter will be at no cost.

Meters are sent to Mars Corporation, an independent company for calibration.

Replacement meters and installation is \$750.00. This fee will apply upon customer's request of a new meter to replace a meter that shows no signs of damage or malfunction.

1.8 Right of Way and Access

As a condition of serviced, the customer grants to the Water Company all rights and privileges necessary for the rendering of service. Water Company employees must have access at all times to the facilities located on the customer's premises. Access is limited to the installation, operation, maintenance, inspection, and/or removal of utility appurtenances. Failure to provide access to Black Bear Reserve Water Company, Inc. personnel or agents is grounds for discontinuance of service. The Black Bear Reserve Water Company, Inc. is not liable for trespass during the performance of these activities. Vehicles or large movable objects that block access to the utilities right-of-way may be towed at the customer's expense.

1.9 Limits of Liability

Black Bear Reserve Water Company, Inc. will use diligence to provide dependable service but **DOES NOT GUARANTEE** continuous and uninterrupted service.

The Water Company is not liable for want or supply or for any occurrence, act, or omission caused directly or indirectly by mechanical failure of equipment and/or facilities; repairs or adjustments to its system; riots, strikes, civil unrest, insurrections; accident; litigation; interference by Federal, State, or municipal governments; acts of the public enemy; or any other cause beyond the control of the Water Department.

1.10 Florida Statute 812.14

TRESPASS AND LARCENY WITH RELATION TO UTILITY FIXTURES

The entire text of Florida Statute 812.14 is contained in Exhibit 3.

In summary, it is unlawful to willfully alter or tamper with a utility meter, pipe, or other property belonging to the utility; to connect to the utility meter; or to use the utility without paying for service. At its discretion, Black Bear Reserve Water Company, Inc. may prosecute in criminal and/or civil court any person who violates this Statute.

1.11 Non-Accepted Systems

Private wells are prohibited. Please refer to the Homeowners Association document #2004069415 located at www.lakecountyclerk.org.

1.12 Fire Protection Requirements

Fire Hydrants are a necessity for Fire Protection to the residents of Black Bear Reserve.

Fire Hydrants are blown out by authorized personnel every other month to keep all water mains flushed.

The following is a list of procedures not allowed with Fire Hydrants:

- * No vehicles or machinery are to be parked on streets and right-of-ways within 50 feet of fire hydrants at any time.
- * Residents are not allowed to open Hydrant valves or remove caps, only authorized personnel.
- * Residents are not allowed to paint Fire Hydrants only authorized personnel.
- * No landscaping plants are to be planted around fire hydrants due to accessibility.

1.13 Resale of Water

Water service obtained from Black Bear Reserve Water Company, Inc. is to be used by the customer only, for the purpose specified in the application for service, and cannot be resold. Water service is furnished directly to the customer through Black Bear Reserve Water Company, Inc. It is for the customer's sole purpose and is not to be re-metered by the customer for the purpose of selling water at a profit to lessees, tenants or others.

1.14 Subservicing by Customer

The customer will not build or extend water lines across or under a street, lane, court, avenue, across property lines or in any other way in order to furnish service through one meter to more than one property. Serving more than one property is not allowed even though the customer may own such adjacent property.

1.15 Backflow Prevention Assemblies

Black Bear Reserve Water Company, Inc. requires all customers to have the Watts (007M3 QT) Double Check Valve Backflow Prevention Assemblies on their Potable Service lines.

The Watts (007M3 QT) Double Check Valve is an assembly composed of two independently acting, approved check valves, including tightly closing resilient seated shutoff valves attached at each end of the assembly and fitted with properly located resilient seated test cocks for testing.

The Double Check valve Assembly must meet the AWWA/ANSI C510-921 standards. It is the duty of each customer of Black Bear Reserve Water Company to have a field test performed by a certified backflow prevention assembly tester upon installation at least once per year. Field tests at more frequent intervals may be required if the Department of Environmental Protection deems the hazard is great enough. These tests shall be made at the consumers expense and are required to be performed by a certified backflow tester approved by the Department of Environmental Protection. It shall be the duty of the purveyor to see that these tests are made in a timely manner. Black Bear Reserve Water Company will send a reminder notice one month in advance of these testing dates. The owner has the right to hire an independent contractor to do this test, but in no circumstance should the test be done by an independent contractor without the appropriate license, time and date of the test. Prior to the independent contractor commencing work the contractor must provide appropriate license, time and date of the test to the water company. The consumer must notify the purveyor in advance when the tests, so, that an official representative may witness the field-tests if so desired. These assemblies shall be repaired, overhauled or replaced at the expense of the consumer whenever the assemblies are found to be defective. Records of the tests, repairs and overhaul will be kept and made available to the Department of Environmental Protection.

In the event the tests have not been completed within the thirty-day reminder period as provided by the water company, the water company shall test the backflow preventers at a charge of \$40.00. Which will be added to the following months water bill.



Black Bear Reserve Water Company
P.O. Box 440
Eustis, FL 32727-0400
352-483-9522

A Homeowners Association Owned Utility

Black Bear Reserve Water Company

Rate Structure

The rate structure is as follows:

Potable

* Availability Fee of \$28.05

- * Potable Availability fee is for 0-5,000 gallons.
- * The next 5,000 gallons used are \$5.25 per 1,000 gallons.
- * The remaining gallons used are \$7.50 per 1,000 gallons.

Irrigation

* Availability Fee of \$70.25

- * Irrigation Availability fee is based on the gross square footage of the lot times .95. Your square footage can be found at: www.lakecopropappr.com.
- * The next 5,000 gallons used are \$5.50 per 1,000 gallons.
- * The remaining gallons used are \$7.75 per 1,000 gallons.

**Rates are subject to change.*

Black Bear Reserve Water Company, Inc.
Policies and Procedures Handbook

Exhibit 2

Irrigation Watering Schedule

The following schedule shall be used for watering of lawns within the Black Bear Water Company Service Area. All watering shall be restricted to between 8:00 AM to 8:00 PM; water times shall be 10-15 minutes per zone, twice a week based on the following assigned days. Rain sensors are required on all sprinkler systems, there is no watering allowed when it rains.

The Villages: Monday and Thursday

Calusa Blvd. 24532, 24540, 24548, 24554, 24600, 24608, 24614, 24622, 24630, 24638, 24846, 24652, 24704, 24712, 24720, 24728.

Saranac Ct. 24923, 24931, 24932, 24940.

Oconee Ave. 36602, 36616, 36622, 36628, 36634, 36640, 36646, 36652, 36700, 36706, 36712, 36718, 36724.

Menominee Ln. 36600, 36601, 36606, 36607, 36612, 36618, 36624, 36630, 36636, 36637.

The Villages: Tuesday and Friday

Calusa Blvd. 24601, 24613, 24627, 24639, 24647, 24701, 24709.

Oconee Ave. 36621, 36627, 36633, 36637, 36641, 36647, 36653, 36701, 36707, 36713, 36719, 36725, 36730, 36731.

Alaqua Ct. 36708, 36711, 36714, 36720, 36723, 36726, 36729, 36732, 36735, 36738, 36743, 36744, 36749, 36750, 36755, 36800, 36803, 36805, 36807, 36812, 36813, 36818, 36819, 36824, 36825.

Calusa Blvd. 24347, 24353, 24401, 24407, 24413, 24421.

The Villages: Wednesday and Saturday

Oshawa Ln. 36600, 36601, 36606, 36607, 36612.

Calusa Blvd. 24214, 24215, 24220, 24221, 24227, 24228, 24233, 24239, 24242, 24245, 24250, 24251, 24305, 24311, 24312, 24336, 24352, 24400, 24406, 24412, 24418, 24424, 24430, 24436, 24442.

Upson Down: Monday and Thursday

Milford Dr. 24135, 24147, 24201, 24207, 24213, 24231, 24239, 24245, 24253, 24301, 24307, 24311, 24317, 24321, 24325, 24327, 24331, 24335, 24341, 24351

Barrington Dr. 36303, 36329, 36343, 36403.

Darien Ct. 36300, 36301, 36323, 36324, 36335.

Upson Downs: Tuesday and Friday

Weldon Dr. 24000, 24008, 24016, 24024, 24032, 24040, 24048, 24054, 24110, 24120, 24130, 24140, 24150, 24208, 24216, 24224, 24232, 24240, 24248, 24300, 24320, 24330, 24340.

Kirkland Pl. 36200, 36201.

Milford Dr. 24041, 24107, 24330, 24340, 24350.

Upson Downs: Wednesday and Saturday

Weldon Dr. 24023, 24035, 24042, 24100, 24112, 24124, 24136, 24148, 24203, 24207, 24215, 24223, 24231, 24239, 24249, 24309, 24325, 24339.

Darien Ct. 36323, 36335.

Barrington Dr. 36316, 36330, 36344, 36404, 36418.

Milford Dr. 24208, 24214, 24226, 24232, 24240.

The Lakes: Monday and Thursday

Barrington Dr. 36314, 36448, 36502, 36514, 36526, 36538, 36550, 36600, 36612, 36624, 36636, 36648, 36702, 36720, 36732, 36748, 36802, 36826, 36838, 36850, 36900, 36912, 36924, 36936, 36948.

Bear Club Ln. 24501.

Danbury Ct. 36512, 36524, 36525.

Wolf Ct. 36814, 36826, 36838.

Milford Dr. 23555, 23607, 23619, 23631, 23643, 23655, 23705, 23717, 23729, 23741, 23803, 23953.

Bear Den Dr. 24216, 24228, 24236, 24250.

The Lakes: Tuesday and Friday

Barrington Dr. 36717, 36725, 36733, 36749, 36301, 36313, 36829, 36853, 36911, 36923, 36935, 36945, 37001.

Milford Dr. 23540, 23548, 23554, 23602, 23610, 23624, 23650, 23734, 23800, 23820, 23832, 23840, 24019.

Honey Tree Ct. 36602, 36614, 36620, 36628, 36636, 36642, 36650.

Bear Den Dr. 24203, 24215, 24227, 24239, 24109.

Bee Meadow Ct. 36427, 36914, 36915, 36926.

The Lakes: Wednesday and Saturday

Bear Paw Ct. 24200, 24211, 24212, 24225.

Barrington Dr. 36447, 36511, 36525, 36539, 36551, 36604, 36625, 36641, 37047, 37105.

Honey Tree Ct. 36601, 36613, 36625, 36637, 36649.

Milford Dr. 23841, 23853, 23942, 23954, 24008.

Wolf Ct. 36802, 36815, 36827, 36839.

Bear Den Dr. 24300, 24312, 24324, 24336, 24348, 24402, 24414, 24110.

The Glen: Monday and Thursday

Clara St. 36415, 36426, 36448, 36454, 36500, 36508, 36516, 36532, 36540.

Martin St. 24635, 24649, 24715, 24739, 24801, 24819, 24831, 24901, 24917.

The Glen: Tuesday and Friday

Martin St. 24363, 24650, 24714, 24730, 24746, 24808, 24824, 24840, 24900, 24916, 24932, 24948.

Clara St. 36603, 36611, 36619.

The Glen: Wednesday and Saturday

Clara St. 36239, 36307, 36321, 36333, 36345, 36423, 36431, 36447, 36454, 36455, 36501, 36509, 36517, 36525, 36533, 36541, 36547, 36555.

Black Bear Reserve Water Company, Inc.
Policies and Procedures Handbook

Exhibit 3

Florida Statutes

812.14 Trespass and larceny with relation to utility fixtures

1. As used in this section, "utility" includes any person, firm, corporation, association, or political subdivision, whether private, municipal, county, or cooperative, which is engaged in the sale, generation, provision, or delivery of gas, electricity, heat, water, oil, sewer service, telephone service, telegraph service, radio service, or telecommunication service.
2. It is unlawful to:
 - a. Willfully alter, tamper with, injure, or knowingly suffer to be injured any meter, meter seal, pipe, conduit, wire, line, cable, transformer, amplifier, or other apparatus or device belonging to a utility line service in such a manner as to cause loss or damage or to prevent any meter installed for registering electricity, gas, or water from registering the quantity which otherwise would pass through the same; or to alter the index or break the seal of any such meter or device; or knowingly to use, waste, or suffer the waste, by any means, of electricity or gas or water passing through any such meter, wire, pipe, or fitting, or other appliance or appurtenance connected with or belonging to any such utility, after such meter, wire, pipe or fitting, or other appliance or appurtenance has been tampered with, injured, or altered.
 - b. Make or cause to be made any connection with any wire, main, service pipe or other pipes, appliance, or appurtenance in such a manner as to use, without the consent of the utility, any service or any electricity, gas or water, or to cause to be supplied any service or electricity, gas, or water from, a utility to any person, firm, or corporation or any lamp, burner, orifice, faucet, or other outlet whatsoever, without such service being reported for payment or such electricity, gas, or water passing through a meter provided by the utility and used for

measuring and registering the quantity of electricity, gas, or water ' passing through the same.

- c. Use or receive the direct benefit from the use of a utility knowing, or under such circumstances as would induce a reasonable person to believe that such direct benefits have resulted from any tampering with, altering of, or injury to any connection, wire, conductor, meter, pipe, conduit, line, cable, transformer, amplifier, or other apparatus or device owned, operated or controlled by such utility, for the purpose of avoiding payment.

3. The presence on property in the actual possession of a person of any device or alteration which affects the diversion or use of the services of a utility so as to avoid the registration of such use by or on a meter installed by the utility or so as to otherwise avoid the reporting of use of such service for payment shall be prima facie evidence of the violation of this section by such person; however, this presumption shall not apply unless:

- a. The presence of such device or alteration can be attributed only to a deliberate act in furtherance of an intent to avoid payment for utility services;
- b. The person charged has received the direct benefit of the reduction of the cost of such utility services; and
- c. The customer or recipient of the utility services has received the direct benefit of such utility service for at least one full billing cycle.

4. Any person who willfully violates this section shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

5. Whoever is found in a civil action to have violated the provisions hereof shall be liable to the utility involved in an amount equal to 3 times the amount of services unlawfully obtained or \$1,000, whichever is greater.

6. Nothing in this act shall be construed to apply to licensed and certified electrical contractors while performing usual and ordinary service in accordance with recognized standards.

History. - s. 1, ch. 76-64; s. 1, ch. 78-262; s. 7, ch. 79-163; s. 1, ch. 79-294; s. 1, ch. 86-173; s. 191, ch. 91-224; s.2, ch. 92-155.

Black Bear Reserve Water Company, Inc.
Policies and Procedures Handbook

Contact List

Black Bear Reserve Water Company

24525 County Road 44A
Eustis, FL 32736

Mailing Address

PO Box 440
Eustis, FL 32727

Office: (352) 483-9522

Fax: (352) 483-9523

For messages after hours, weekends or holidays call: (352) 483-9522

Messages checked twice daily.

Hours of operation: 9:00 am - 5:00 pm Monday through Friday.

St. Johns River Water Management

4049 Reid Street
Palatka, FL 32178-1429

Website: www.sjrwm.com

Office: (386) 329-4500 or Toll Free (800) 451-7106

Fax: (386) 329-4125 Executive Office Fax

Florida Department of Environmental Protection

Central District

3219 Maguire Boulevard Suite 232

Orlando, FL 32803-37677

Website: **www.dep.state.fl.us**

Office: (407) 893-7860

Southwest Property Management

Homeowners Association Management Company

PO Box 783367

Winter Garden, FL 34778

Website: **www.southwestpropertymanagement.com**

Office: (407) 656-1081

Fax: (407) 656-0974

Sunshine Locates

Call before you dig:

Website: **www.callsunshine.com**

Office: 811 or (800) 432-4770

Corporate Office Fax: (386) 575-2030

Centurylink

Residential Support

Website: www.centurylink.com

Office: (888) 723-8010

Florida Cable

Website: www.floridacable.com

Office: (352) 759-2788

Fax: (352) 759-3577

Sumter Electric Corporation

Eustis Customer Service Center

Office: (352) 357-5600

Fax: (352) 3547-1536

AGREEMENT FOR OPERATION OF REUSE WATER SYSTEM

This agreement for Operation of Reuse Water System the ("Agreement") is made effective as of this 20th day of September, 2004, by and between BLACK BEAR RESERVE WATER COMPANY, INC., a Florida corporation, whose address is 500 Wekiva Springs Rd., Suite 500, Longwood, FL 32779, BLACK BEAR RESERVE HOME OWNER ASSOCIATION MAJOR STOCK HOLDER OF BLACK BEAR RESERVE WATER COMPANY and RAPID RETREVAL, INC., a Florida Corporation, whose address is Post Office Box 520, Sorrento, Florida 32776.

Definitions, Exhibits and Recitals

1. **Definitions:**

- (A) "Owner/Operator" shall be Rapid Retrieval, a Florida Corporation G.P. Upson Downs Limited Partnership.
- (B) "BBRWCO" shall mean and refer to Back Bear Reserve Water Company by and through the Black Bear Reserve Master Home Owner Association.
- (C) "System" shall mean and refer to the Black Bear reuse water system on the land described as Tract F, Upson Downs, according to the plat thereof as recorded in Plat Book 36, Page 4, of the Public Records of Lake County, Florida, including all equipment and facilities now and hereafter existing on such land, and including specifically the reuse water system, distribution lines, machinery, equipment and related property. Owner/Operator shall have the right to use, right to access all right-of-ways and utility easements within the project areas including all equipment and facilities now and hereafter existing on such land, and including specifically the Reuse water system, distribution lines, machinery, equipment and related property.
- (D) "Project" shall mean and refer to the full operation and provision of reuse water services for the benefit of the Property described hereafter and all improvements located thereon now or hereafter.
- (E) "Property" shall mean and refer to all of the real property and any improvements located thereon now or hereafter described as follows:

UPSON DOWNS, according to the Plat thereof as recorded in Plat Book 36, Pages 4 through 9, inclusive, Public Records of Lake County, Florida; and

VILLAGE AT BLACK BEAR, according to the Plat thereof as recorded in Plat Book 43, Pages 58 through 62, inclusive, Public Records of Lake County, Florida; and

ESTATES AT BLACK BEAR RESERVE, according to the Plat thereof as recorded in Plat Book 43, Pages 80 through 84, inclusive, Public Records of Lake County, Florida; and

CLAR-MART SUBDIVISION, according to the Plat thereof as recorded in Plat Book 30, Page 82, Public Records of Lake County, Florida; and

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CLAR-MART SUBDIVISION PHASE II, according to the Plat thereof as recorded in Plat Book 45, Pages 78-80, Public Records of Lake County, Florida; and

Any and all additional property, which may require reuse water service in the future.

2. **Exhibits:**
 - A. Project Characteristics
 - B. Consumptive Use Permit
 - C. Rate Structure
 - D. 2nd Amendment Master Home Owner Association, o.r. Book 2257, Pages 1585 and 1586.
3. BBRWCO acknowledges due to its lack of cash reserves does not have financial capabilities to install and operate the system as described in Exhibit A and required under Exhibit B, therefore, BBRWCO has solicited Owner/Operator to install Exhibit A. As compensation to Owner/Operator's investment BBRWCO grants the right and obligation to retain ownership of the Reuse System. Owner/Operator is a Florida corporation, which will build and retain ownership of the Reuse System. The Project is for the purpose of providing Reclaimed Water service for use on all of the Property and the improvements located thereon.
4. Owner/Operator and BBRWCO have agreed as set forth herein that the Owner/Operator is and shall be engaged as the independent contractor for the operation and ownership of the Reuse System and the Project during the term hereof on the condition that Owner/Operator continues to provide all reuse water services required for the Property as provided under this Agreement.
5. BBRWCO acknowledges the substantial capital investment required by the Owner/Operator to install Reuse System as described under Exhibit A. As additional security BBRWCO agrees not to amend, alter, revoke or change in any substantial manner, Exhibit D, Second amendment to the Master Association.

NOW THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Recitals.** The parties acknowledge and agree that the foregoing Recitals, Definitions, and Exhibits are true and correct, and are hereby incorporated by this reference.
2. **Engagement of Services.** The Owner/Operator shall cause to be installed all lines, pumps, service connections and all other required infrastructure to provide Reuse Water System as designated by "Exhibit B." BBRWCO hereby agrees that the services of the Owner/Operator an independent contractor for the continuous operation of the Reuse System and the Project in order to provide reuse water services to all of the property.



3. **Services of Operator.** The Owner/Operator shall provide full and continued services for full operation of the Reuse System and Project in order to provide all Reuse water services required for the Property and all improvements located thereon from time to time. These services shall include:

- (a) **Delivery of Reuse Water Service.** Owner/Operator shall provide reuse water service directly to and for the benefit of the Property and all improvements located thereon within the Property. The reuse water service to be provided by Owner/Operator from the System shall be at all levels of quality and capacities sufficient to service all of the Property, and in accordance with all requirements set forth in the Project Characteristics identified in Exhibit A attached hereto. Owner/Operator shall provide all such reuse water services, and operate the System and the Project, in accordance with all requirements of St. John's River Water Management District and all other applicable authorities.
- (b) **Connection Fee and Meter.** The rate structure to be applicable to the System and the Project, as more fully described in subparagraph (d) hereafter, shall include a connection fee for each lot or portion of the Property connecting to the reuse water services of the Project, payable by each applicable owner of a lot or a portion of the Property as a customer of reuse water services from the System. Such connection fee shall be payable by the owner of each lot or portion of the Property (customer) at the time of connecting to the reuse water services lines and facilities for such lot or portion to the Property. As a condition to payment of such connection fee, Owner/Operator shall install a reuse water meter by and for the benefit of each lot or other portion of the property.
- (c) **Rates and Collections.** The rate structure for the payment of reuse water services to each lot or portion of the Property existing as of the date of this Agreement is set forth in "Exhibit C". Owner/Operator shall ensure that the continuing fees and expenses of any nature for reuse water services to each lot or portion of the Property shall be uniformly applied to all of the Property and lands acquiring reuse water service from the System and Project, based on the allocations provided and the square footage of lots as per public record. Owner/Operator or designee shall perform all meter readings, billings, bill collections and customer service functions required or appropriate for full and continuous operation of the Project in a timely manner. All revenues collected from reuse water customers as owners of lots or portions of the Property in accordance with these billing procedures. Owner/Operator or designee shall provide to BBRWCO a summary of the collections annually commencing upon completion of the system and Owner/Operator or designees.
- (d) **Costs of System and Project.** Owner/Operator shall pay, at its sole expense, any and maintenance of the Project and for any and all repairs and capital improvements required or appropriate for the Project and the continuing reuse water services to be provided to

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the Property or portions thereof from time to time, including but not limited to, insurance, labor and personnel costs, legal expenses, and accounting costs. Owner/Operator shall implement and maintain an operations safety program for the Reuse System any and all rehabilitation, expansion and modifications of the System and Project in order to comply with all applicable governmental regulations or requirements.

- (c) **Subcontractors and Records.** Owner/Operator has hired the services of the personnel or subcontractors for the current operations of the System and the Project. Owner/Operator shall be responsible, at Owner/Operator's sole expense, for maintaining all such personnel or subcontractors as may be required for the full operation of the Project and the Provision of the reuse water services described hereunder. All such personnel or subcontractor shall hold current licenses, certificates, or other authority to perform the work required of such persons or entities, and Owner/Operator shall ensure that all such personnel or subcontractors meet all applicable certification requirements of the State of Florida. Owner/Operator shall cause to be prepared and submitted, at Owner/Operator's sole expense, all reports and other information for the Reuse System and the Project as may be required by all Federal, State, and other applicable authorities. Owner/Operator shall make all of the foregoing records and information, and all other records or information related to the System or the Project, available for inspection on at least an annual basis.
4. **Project Revenues.** As compensation for its services hereunder, Owner/Operator will forfeit all revenues to BBRWCO to be collected by BBRWCO, including but not limited to meters, meter connections and service connection fees for Reuse Water until such time as the system is completed and not relying on any of BBRWCO's infrastructure, i.e. Ground water from water plant. After completion of Reuse System all revenues shall be that of the owner/operators or designee.
5. **Independent Contractor.** It is understood that the relationship of the Owner/Operator to BBRWCO is that of Independent contractor. Neither party, one to the other, shall be considered a consumer nor a merchant pursuant to any consumer or trade practices, laws or regulations, and the parties specifically agree that the application of any such laws or regulations to the terms and conditions herein is inappropriate.
6. **Attorney's Fees.** In the event of any arising out of or relating to this Agreement, the prevailing party shall be entitled to reimbursement of its attorneys fees and costs incurred or all trial and appellate levels and whether or not suit is brought.

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7. **Warranties.** BBRWCO shall keep in force all warranties, guarantees, easements, permits, restrictive covenants and any amendments there to, i.e., "Exhibit D" and licenses that have been granted to Owner/Operator or designee.
8. **Mutual Indemnity.** Owner/Operator and BBRWCO each agree to indemnify, defend and hold harmless the other (and the other's affiliates, officers, directors, employees, agents, and representatives) from and against any losses, liabilities, causes of action for property damage and bodily injury, including death, other claims of any type, damages and expenses (including attorneys fees and costs) to the extent arising out of or resulting from the negligent or willful acts or omissions, or the breach of any representations and warranties, or the non-fulfillment of any covenant under this Agreement of the indemnifying party (or the indemnifying party's employees, agents or representatives). The terms and provisions of this section shall survive the expiration or termination of this Agreement.
9. **Environmental Indemnity.** Owner/Operator shall indemnify, defend and hold harmless BBRWCO, (and its affiliates, officers, directors, employees, agents and representatives). From and against any and all losses, liabilities, claims, demands, causes of action and expenses (including attorneys fees and costs) arising from (a) any environmental condition on, in, under, around or at the Property and/or (b) any violation of any environmental laws; provided, however, the foregoing indemnity shall not apply to the extent that any such losses result from the negligent or willful acts or omissions of Owner/Operator, its employees, agents or subcontractors. The terms and provisions of this section shall survive the expiration or termination of this Agreement.
10. **Fines and Penalties.** Owner/Operator shall be liable for any fines or civil penalties imposed by a regulatory agency for violations of the reuse water quality requirements that are a result of Operator's negligence. BBRWCO will reasonably assist Owner/Operator to lawfully contest any such fines in administrative proceedings and/or in court prior to any payment by Owner/Operator.
11. **Limitation of Remedies.** UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR OTHER DAMAGES OTHER THAN ACTUAL DIRECT DAMAGES, REGARDLESS OF WHETHER SUCH DAMAGES ARISE UNDER BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR ANY OTHER THEORY OF LAW OR EQUITY; **PROVIDED, HOWEVER,** THAT OWNER/OPERATOR SHALL BE RESPONSIBLE FOR THE PAYMENT OF ANY PENALTIES OR FINES LEVIED BY A GOVERNMENTAL BODY AND ARISING SOLELY AND DIRECTLY OUT OF OWNER/OPERATOR'S NEGLIGENCE OR WILLFUL MISCONDUCT.
12. **Owner/Operator's Maximum Liability.** OWNER/OPERATOR'S LIABILITY FOR THE PERFORMANCE OR NON-PERFORMANCE OF ANY OBLIGATIONS UNDER THIS AGREEMENT (WHETHER ARISING UNDER BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR ANY OTHER THEORY OF LAW OR EQUITY) AND OWNER/OPERATOR'S



INDEMNITY OBLIGATIONS SHALL NOT EXCEED \$250,000 IN THE AGGREGATE.

13. **Term.** The term of this Agreement shall be for a period of ninety-nine (99) years commencing on the date of the execution of this Agreement by both parties. BBRWCO may deliver such notice to Owner/Operator if it has been in default during the term of this Agreement.

14. **Termination.** Owner/Operator shall be required to deliver written notice of default to BBRWCO as a condition precedent to its termination of this Agreement. In the event Owner/Operator defaults in its obligations under this Agreement and receives written notice of default from BBRWCO and such default is reasonably susceptible of a cure while Owner/Operator continues to provide such reuse water services, then Owner/Operator shall be entitled to a period of time from Owner/Operator's written notice to cure such default for at least the same period of time which may be allowed by the applicable governmental or other authorities. Owner/Operator may terminate this Agreement at any time without cause by giving BBRWCO ninety (90) days prior written notice.

15. **General Provisions.**
 - (a) **Descriptive Headings.** The descriptive headings herein are inserted for convenience for reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

 - (b) **Entire Agreement; Assignment; Amendment.** This Agreement: (a) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other prior agreements and understanding, both written and oral, among the parties with respect to the subject matter hereof; (b) shall not be assigned by operation of law or otherwise except that the Owner/Operator may assign this agreement to any person controlling, controlled by or under common control with Owner/Operator, and (c) may not be amended without the written consent of all parties hereto.

 - (c) **Notices.** Any notice required or permitted to be given hereunder shall be in writing and shall be deemed given and effective when delivered by telefax or teletype, or by Express Mail, Federal Express, Purolator or like service, or on the third mail delivery day after it is deposited in the United States mail, postage prepaid by certified or registered mail, return receipt requested.

If to Owner/Operator: Rapid Retrieval G.P. Upson Downs
Limited Partnership
P.O. Box 520
Sorrento, Florida 32779

With a copy to: Rick Larsen
55 West Pine St.
Orlando, FL 32801

If to BBRWCO: Black Bear Reserve Water Co.
505 Wekiva Springs Rd.
Ste. 500
Longwood, FL 32779

With a copy to: Albert Ford
270 Waymont Ct.
Ste. 110
Lake Mary, FL 32746

Or at such other address as either party hereto may designate by giving written notice in the aforesaid manner.

(d) Waiver. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other instrument given in connection with or pursuant to this Agreement shall impair any such right, power, or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege or the exercise of any other right power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

(e) Severability. If all or any portion of any provision of the Agreement shall to any extent be held invalid or unenforceable in whole or in part by a court or agency having valid jurisdiction in a valid decision or decree to which both Owner/Operator and BBRWCO are parties, then the parties expressly agree to be bound by any lesser covenant imposing the maximum legal duty permitted by law that is subsumed within the terms of such covenant, as if the resulting covenants were separately stated in and




made part of this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(f) Drafting Ambiguities. Each party to this Agreement and its counsel have reviewed and revised this Agreement. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any amendments or exhibits to this Agreement.

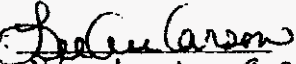
(g) Florida Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

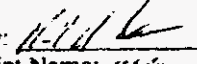
Upton Downs L.P. by
Rapid Retrieval, G.P.,
a Florida Corporation

By: 
Print Name: Mark A. Carlson
Title: Gen. Manager/Regional COO
Date: 9-20-04

Black Bear Reserve Water
Company, Inc., a Florida
not for profit Corporation

By: 
Print Name: Mark A. Carlson
Title: Vice President
Date: 9-20-04

Black Bear Reserve Home Owner
Association, a Florida not
For profit corporation

By: 
Print Name: Mark A. Carlson
Title: BOARD OF DIRECTOR
Date: 9-20-04

Capacity Development Financial and Managerial Operational Plan

1. Black Bear Water Company, Inc.
2. PWS Identification Number 3354938
3. To serve 434 homes with population of 1250 persons
4. Total number of connections is anticipated to be 435
5. SEE ATTACHED PROFORMA
6. SEE ATTACHED PROFORMA
7. Management capacity

a. Plant Operator
(position filled)

Plant Technicians, Inc.
101 Satellite Court
Leesburg, Fl. 34748
1-352-787-2944
(See attached License)

b. Management/Administrative
(position filled)

Mark Carson
President
Black Bear Water Co. Inc.
P.O. Box 520
Sorrento, Fl. 32776
1-407-884-5304

c. Civil engineer/Hydrological
(position filled)

Richard Labinsky P. E. Inc./
108 Essex Drive
Longwood, Fl. 32779
1-407-788-3687

d. Legal
(position filled)

Attorney Albert E. Ford II
994 Lake Destiny Road
Suite 102
Altamonte Springs, Fl. 32714
1-407-865-5600

e. Contractor/ Repairs
(position filled)

Blayde Development
P.O. 195208
Winter Springs Fl. 32719
1-407-402-2236

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Central Dist. - DEP

**f. Accounting/Auditing
(position filled)**

**Watsky, Martinez & Co. CPA
777 East Hwy. 436
Altamonte Springs Fl. 32701
1-407-834-0777**

**g. Lawn Maintenance
(position filled)**

**VJM Inc.
Hwy. 46
Mt dora Fl. 32776**

JUL 29 1980
Central Dist. - DEP

**h. KNL Laboratories
(position filled)**

**KNL Laboratories
Tampa Fl.**

Persons responsible for system:

The following parties in sequential order can be contacted and are responsible for acting on behalf of the system to spend money, incase of emergency, or to make other decisions on behalf of the system.

a. Management/Administrative

**Mark Carson
President
Black Bear Water Co. Inc.
P.O. Box 520
Sorrento, Fl. 32776
1-407-884-5304**

b. Plant Operator

**Plant Technicians, Inc.
101 Satellite Court
Leesburg, Fl. 34748
1-352-787-2944
(See attached License)**

c. Contractor/ Repairs

**Blayde Development
P.O. 195208
Winter Springs Fl. 32719
1-407-402-2236**

8. INTENTIONALLY OMITTED PER DEP TALLAHASSEE

9. At time of construction and currently there are no public or private utilities in the area. The Wekiva Basin Comprehensive Land Use Plan as enacted subsequent to this projects approvals, has greatly restricted future development activities within this area. Therefore, no additional access to future utilities is anticipated in the foreseeable future.



Capacity Development Financial and Managerial Operation Plan For New Community and Non-transient Non-community Water Systems

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JUL 29 2003
Central Dist - DEP

GENERAL INSTRUCTIONS: This form shall be completed and submitted by persons proposing to construct community or non-transient non-community water systems after October 1, 1999 or proposing to have such system(s) commence operations after October 1, 1999 or subject to the requirements of 62-555.357. Refer to the New Water System Capacity Development Planning Manual (Rule 62-555.335) for instructions and recommended formats to use in completing this form. The Manual includes criteria used by the Department to evaluate the information obtained using this form and a description of how the Department plans to use the information submitted. At the end of this form is a certification by which a system's authorized representative attests to the accuracy of the reported information. Attach all plans or other attachments required by this form, and use additional sheets as necessary.

- 1) Project or Water System Name: _____
- 2) Identification Number (PWS-ID): _____
- 3) Population Served or to be Served: _____
- 4) Number of connections _____

5) Projected or actual income sources and funds: Attach a plan showing your projected or actual income and funds for the five-year planning period starting with the commencement of operations. Include the following two types of information only: 1) nature of all income sources and funds (e.g. revenues from sales of water to customers, interest income, funding from the City, receipt of a loan or grant, personal bank account) and 2) dollar amount to be provided by each income source or funds. Report all projected or actual amounts, but a description of each amount under 10% of the total projected or actual amount is not necessary. Show only income or funds pertaining to drinking water.

6) Projected or actual expenses: Attach a plan showing projected or actual expenses for the five-year planning period starting with the commencement of operations. Include the following two types of information only: 1) nature of expense (e.g. sampling, laboratory analytical, chlorine, salaries of water system employees, repayment of a loan, equipment purchases) and 2) dollar amount of expense. Report all projected or actual amounts, but a description of each amount under 10% of the total projected or actual amount is not necessary. Show only expenses pertaining to drinking water.

7) Management capacity: Attach a list of the following: employee titles, responsibilities, certifications, and whether the position is vacant or filled. Where a position is vacant, indicate the projected hiring date. Include the names, certification numbers, and classes of the operators. Indicate the person(s) who are responsible for acting on behalf of the system to spend money, in case of emergency, or to make other decisions on behalf of the system. Provide telephone numbers and addresses for these responsible parties. Show only employee or management information pertaining to drinking water.

8) Planning documents: According to classification and size, systems may be required to have written plans as described in Department rules or in the New Water System Capacity Development Planning Manual. Check the plans below which are required for your system and which you have: If your system is not required to have the plan shown, check N/A.

Plan	✓	Yes	No	NA	Plan	✓	Yes	No	NA
Risk Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Auxiliary Power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TTHM Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Bacteriological Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operations Manual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Cross Connection Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sampling for Lead and Copper Tap Samples and Water Quality Parameters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9) Alternate means of providing water service: Attach a description of the alternatives considered (including inter-connections with existing water systems) and the reasons for the approach selected to provide the planned water service. This description shall include the technical, managerial, financial, and operational reasons for the selected approach.

CERTIFICATION: I, the undersigned authorized representative of the applicant, hereby certify that all information contained in this form and attachments is true, correct, and complete to the best of my knowledge and belief. I also certify that I have been duly authorized to file the application and to provide these assurances and that, for the five-year planning period starting with the end of the system's first fiscal year of actual or planned operations, the system expects to collect or already has sufficient funds to equal or exceed its forecasted expenses, enabling the system to deliver water meeting regulatory standards.

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

NAME (please print) _____

TITLE _____ Date _____

Address, City, State, Zip, Phone _____

State of Florida
Department of Environmental Protection

ISSUED: 3/31/2003

LICENSE NO. 0008632

THE CLASS C Drinking Water TREATMENT PLANT OPERATOR
NAMED BELOW IS LICENSED UNDER THE PROVISIONS OF
CHAPTER 403, FLORIDA STATUTES
VALID UNTIL: 4/30/2005

RECEIVED

JUL 29 2003

Central Dist - 300

Steven Joseph Oles, Sr.

Jeb Bush
GOVERNOR

DISPLAY IS REQUIRED BY LAW

David Struhs
SECRETARY

State of Florida

Department of Environmental Protection

ISSUED: 5/1/03

LICENSE NO.: 0006407

THE CLASS C DRINKING WATER TREATMENT PLANT OPERATOR
NAMED BELOW IS LICENSED UNDER THE PROVISIONS OF
CHAPTER 403, FLORIDA STATUTES
VALID UNTIL 4/30/05

ROBERT G. STEWART

JEB BUSH
GOVERNOR

DISPLAY IS REQUIRED BY LAW

DAVID B. STRUHS
SECRETARY

State of Florida

Department of Environmental Protection

SUED: 3/17/2003

LICENSE NO. 0004723

HE CLASS C Drinking Water TREATMENT PLANT OPERATOR
AMED BELOW IS LICENSED UNDER THE PROVISIONS OF
HAPTER 403, FLORIDA STATUTES
ALID UNTIL: 4/30/2005

Jim C. Branham

Jeb Bush
GOVERNOR

DISPLAY IS REQUIRED BY LAW

David Struhs
SECRETARY

State of Florida
Department of Health Bureau of Laboratories

This lab certifies that

E83141

Plant Technicians, Inc.

105 Satellite Court

Leesburg, FL 34748

has complied with Florida Administrative Code 64E-1, for the examination of
Environmental samples in the following categories:

**DRINKING WATER - Microbiology, Primary Inorganic Contaminants, Secondary
Inorganic Contaminants, NON-POTABLE WATER - General Chemistry, Microbiology**

Continued certification is contingent upon successful on-going compliance with the
NELAC Standards and FAC Rule 64E-1 regulations. Specific methods and analytes
certified are cited on the Laboratory Scope of Accreditation for this laboratory and are on
file at the Bureau of Laboratories, P. O. Box 210, Jacksonville, Florida 32231. Clients
and customers are urged to verify with this agency the laboratory's certification status in
Florida for particular methods and analytes.

EFFECTIVE JULY 1, 2003

THROUGH JUNE 30, 2004



Ming S. Chen, Ph.D.

Bureau Chief, Bureau of Laboratories

Florida Department of Health

DH Form 1897, 7/03

NON-TRANSFERABLE 06/20/2003-E83141

BLACK BEAR WATER CO. / PWS ID 3354935 / 2004 to 2008 OPPREATING BUDGET

	2004 January	February	March	April	May	June	July	August	September	October	November	December	Total /year	Cap. imp. fund tot.	ACTUAL
NEW UNITS TO BE SERVED	22	8	8	8	8	8	8	8	8	8	8	8	110		
TOTAL UNITS BEING SERVED	22	30	38	46	54	62	70	78	86	94	102	110	110		
INCOME sources and funding															
BALANCE FORWARD	\$0.00														
UNMETERED WATER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	X
MONTHLY CHARGE/METERED	\$2574.00	\$3510.00	\$4446.00	\$5382.00	\$6318.00	\$7254.00	\$8190.00	\$9126.00	\$10062.00	\$10998.00	\$11934.00	\$12870.00	\$92664.00		
TAP OR CONNECTION FEE	\$33000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$165000.00	
FUTURE ADVANCE LOAN PROCEEDS	\$200000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200000.00	X
TOTAL INCOME AND FUNDING	\$235574.00	\$15510.00	\$16446.00	\$17382.00	\$18318.00	\$19254.00	\$20190.00	\$21126.00	\$22062.00	\$22998.00	\$23934.00	\$24870.00	\$457664.00		
EXPENSES															
A. SALARIES/WAGES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	X
B. PURCHASED WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	X
C. PURCHASED UTILITIES															
1. Purchased Power	\$220.00	\$300.00	\$380.00	\$460.00	\$540.00	\$620.00	\$700.00	\$780.00	\$860.00	\$940.00	\$1020.00	\$1100.00	\$7920.00		X
2. Telephone Service	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$3792.00		X
3. Security Monitoring	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$540.00		X
D. FUEL FOR POWER PROD.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
E. CHEMICALS															
1. Chlorine (hypochloride)	\$33.00	\$45.00	\$57.00	\$69.00	\$81.00	\$93.00	\$105.00	\$117.00	\$129.00	\$141.00	\$153.00	\$165.00	\$1188.00		X
F. MATERIALS SUPPLIES, PARTS															
1. Pipes and pumps, chlorine in	\$38.67	\$50.00	\$63.33	\$76.67	\$90.00	\$103.33	\$116.67	\$130.00	\$143.33	\$156.67	\$170.00	\$183.33	\$1320.00		
2. General O&M tools parts	\$27.50	\$37.50	\$47.50	\$57.50	\$67.50	\$77.50	\$87.50	\$97.50	\$107.50	\$117.50	\$127.50	\$137.50	\$990.00		
3. Cleaning supplies	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00		
4. Paint	\$380.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$380.00		
5. Generator Fuel	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1200.00		X
G. CONTRACTUAL SERVICES															
1. Plant Technicians/Operator	\$610.00	\$850.00	\$890.00	\$730.00	\$770.00	\$810.00	\$850.00	\$890.00	\$930.00	\$970.00	\$1010.00	\$1050.00	\$9980.00		X
2. Management/Administrative	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$24000.00		X
3. Engineer/civil & hydrological	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$12000.00		X
4. Legal/ CUP and DEP reporting	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$12000.00		X
5. Contractor/repairs and maint.	\$7800.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$45000.00		X
6. Accounting/Auditing	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$24000.00		X
7. Lawn Maintenance	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00		X
H. EQUIPMENT RENTAL															
1. line pressure test pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00		
I. Rental Real Estate															
1. Access Easements	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00		X
J. TRANSPORTATION EXPENSES															
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
K. ANALYTICAL MONITORING															
1. CONTRACT FEE LAB FOR ALL REQUIRED TESTING/ANNUAL															
	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$15000.00		X
L. INSURANCE															
1. General liability	\$1200.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3200.00		X
2. Stockholders liability	\$800.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2300.00		X
3. Plant and equipment	\$2400.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6400.00		X
M. ADVERTISING	\$22.00	\$30.00	\$38.00	\$46.00	\$54.00	\$62.00	\$70.00	\$78.00	\$86.00	\$94.00	\$102.00	\$110.00	\$792.00		
N. LOAN PRINCIPLE AND INTREST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
O. LOAN OR BOND INT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
P TRANSFERS OF FUNDING OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
Q. CAPITAL EQUIP. PURCHASES															
1. New Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Renewal & Replacement Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. Reuse water dist. sys. fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
P. TAXES															
1. Property taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24748.40	\$0.00	\$24748.40		X
2. Sales Tax/Not applicable for profit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	X
TOTAL EXPENSES	\$21570.17	\$14273.50	\$14436.83	\$14600.17	\$14763.50	\$15526.83	\$13590.17	\$13753.50	\$13918.83	\$14080.17	\$38989.80	\$14406.83	\$203808.40		
TOY. INCOME-TOY. EXPENSES													\$253755.40		

BLACK BEAR WATER CO. / PWS ID 3354938 / 2004 to 2008 OPERATING BUDGET

	YEAR 1, 2004	YEAR 2, 2005	YEAR 3, 2006	YEAR 4, 2007	YEAR 5, 2008	Cap. Imp. fund tot.	ACTUAL
PLANT OPERATIONS							
NEW UNITS TO BE SERVED							
TOTAL UNITS BEING SERVED	110	198	286	374	434		
INCOME sources and funding							
BALANCE FORWARD		\$253755.60	\$346703.00	\$282494.08	\$288276.95		
UNMETERED WATER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
MONTHLY CHARGE/METERED	\$92884.00	\$218216.00	\$339788.00	\$483320.00	\$579384.00		
TAP OR CONNECTION FEE	\$165000.00	\$144000.00	\$144000.00	\$144000.00	\$102000.00		
FUTURE ADVANCE/LOAN PROCEEDS	\$230000.00	\$0.00	\$0.00	\$0.00	\$0.00		X
TOTAL INCOME AND FUNDING	\$467664.00	\$613971.60	\$630471.20	\$609814.08	\$989860.95		
EXPENSES							
A. SALARIES, WAGES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
B. PURCHASED WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
C. PURCHASED UTILITIES							
1. Purchased Power	\$7920.00	\$18480.00	\$29040.00	\$39800.00	\$49520.00		X
2. Telephone Service	\$3792.00	\$3792.00	\$3792.00	\$3792.00	\$3792.00		X
3. Security Monitoring	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00		X
D. FUEL FOR POWER PROD.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
E. CHEMICALS							
1. Chlorine (hypochlorite)	\$1188.00	\$2772.00	\$4356.00	\$5940.00	\$7428.00		X
F. MATERIALS SUPPLIES, PARTS							
1. Pipes and pumps, chlorine inj.	\$1320.00	\$3080.00	\$4840.00	\$6600.00	\$8251.33		
2. General O&M tools parts	\$990.00	\$2310.00	\$3630.00	\$4950.00	\$6190.00		
3. Cleaning supplies	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00		
4. Paint	\$360.00	\$360.00	\$360.00	\$360.00	\$360.00		
5. Generator Fuel	\$1200.00	\$1200.00	\$1200.00	\$1200.00	\$1200.00		X
G. CONTRACTUAL SERVICES							
1. Plant Technicians/Operator	\$9960.00	\$15240.00	\$20520.00	\$28800.00	\$30760.00		X
2. Management/Administrative	\$24000.00	\$38000.00	\$48000.00	\$60000.00	\$72000.00		X
3. Engineer/civil & hydrological	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00		X
4. Legal/CUP and DEP reporting	\$12000.00	\$24000.00	\$24000.00	\$24000.00	\$24000.00		X
5. Contractor/repairs and maint.	\$45000.00	\$40800.00	\$40800.00	\$40800.00	\$32400.00		X
6. Accounting/Auditing	\$24000.00	\$38000.00	\$48000.00	\$48000.00	\$48000.00		X
7. Lawn Maintenance	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00		X
H. EQUIPMENT RENTAL							
1. line pressure test pump	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00		
I. Rental Real Estate							
1. Access Easements	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00		X
J. TRANSPORTATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
K. ANALYTICAL MONITORING							
1. CONTRACT FEE LAB FOR ALL REQUIRED TESTING/ANNUAL	\$15000.00	\$15000.00	\$15000.00	\$15000.00	\$15000.00		X
L. INSURANCE							
1. General liability	\$3200.00	\$3200.00	\$3200.00	\$3200.00	\$3200.00		X
2. Stockholders liability	\$2300.00	\$2300.00	\$2300.00	\$2300.00	\$2300.00		X
3. Plant and equipment	\$8400.00	\$8400.00	\$8400.00	\$8400.00	\$8400.00		X
M. ADVERTISING	\$792.00	\$1848.00	\$2904.00	\$3980.00	\$4952.00		
N. LOAN PRINCIPLE AND INTEREST	\$0.00	\$0.00	\$225148.72	\$225148.72	\$225148.72		X
O. LOAN OR BOND INT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
P. TRANSFERS OF FUNDING OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
Q. CAPITAL EQUIP. PURCHASES							
1. New Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
2. Renewal & Replacement Fund	\$0.00	\$10000.00	\$20000.00	\$20000.00	\$30000.00	\$80000.00	
3. Reuse water dist. sys. fund	\$0.00	\$0.00	\$0.00	\$20000.00	\$40000.00	\$60000.00	
P. TAXES							
1. Property taxes	\$24746.40	\$24746.40	\$24746.40	\$24746.40	\$24746.40		X
2. Sales Tax/Not applicable not for profit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
TOTAL EXPENSES	\$203808.40	\$267268.40	\$547977.12	\$601537.12	\$655390.48		
TOT. INCOME-TOT. EXPENSES	\$263755.60	\$346703.20	\$282494.08	\$288276.96	\$314270.50		

RECEIVED
JUL 29 2006
Central District

BLACK BEAR WATER CO. / PWS ID 3354938 / 2004 to 2008 OPPEATING BUDGET

	2004 January	February	March	April	May	June	July	August	September	October	November	December	Total	/year	Cap. Imp.	Fund tot.	ACTUAL
NEW UNITS TO BE SERVED																	
TOTAL UNITS BEING SERVED	110	118	126	134	142	150	158	166	174	182	190	198		96			
INCOME sources and funding																	
BALANCE FORWARD	\$253755.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$253755.60			
UNMETERED WATER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
MONTHLY CHARGE/METERED	\$12870.00	\$13808.00	\$14742.00	\$15678.00	\$16614.00	\$17550.00	\$18486.00	\$19422.00	\$20358.00	\$21294.00	\$22230.00	\$23166.00	\$24102.00	\$218216.00			
TAP OR CONNECTION FEE	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$144000.00			
FUTURE ADVANCE/PLAN PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
TOTAL INCOME AND FUNDING	\$278625.60	\$25808.00	\$26742.00	\$27678.00	\$28614.00	\$29550.00	\$30486.00	\$31422.00	\$32358.00	\$33294.00	\$34230.00	\$35166.00	\$613971.60				
EXPENSES																	
A. SALARIES/WAGES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
B. PURCHASED WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
C. PURCHASED UTILITIES																	
1. Purchased Power	\$1100.00	\$1180.00	\$1260.00	\$1340.00	\$1420.00	\$1500.00	\$1580.00	\$1660.00	\$1740.00	\$1820.00	\$1900.00	\$1980.00	\$1480.00				X
2. Telephone Service	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$3792.00			X
3. Security Monitoring	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$540.00			X
D. FUEL FOR POWER PROD.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
E. CHEMICALS																	
1. Chlorine (hypochlorite)	\$166.00	\$177.00	\$189.00	\$201.00	\$213.00	\$225.00	\$237.00	\$249.00	\$261.00	\$273.00	\$285.00	\$297.00	\$2772.00				X
F. MATERIALS SUPPLIES, PARTS																	
1. Pipe and pumps, chlorine inj.	\$183.33	\$196.67	\$210.00	\$223.33	\$236.67	\$250.00	\$263.33	\$276.67	\$290.00	\$303.33	\$316.67	\$330.00	\$3080.00				X
2. General O&M tools parts	\$137.50	\$147.50	\$157.50	\$167.50	\$177.50	\$187.50	\$197.50	\$207.50	\$217.50	\$227.50	\$237.50	\$247.50	\$2316.00				X
3. Cleaning supplies	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00				X
4. Palm	\$360.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$360.00				X
5. Generator Fuel	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1200.00				X
G. CONTRACTUAL SERVICES																	
1. Plant Technitions/Operator	\$1050.00	\$1090.00	\$1130.00	\$1170.00	\$1210.00	\$1250.00	\$1280.00	\$1330.00	\$1370.00	\$1410.00	\$1450.00	\$1490.00	\$15240.00				X
2. Management/Administrative	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$36000.00				X
3. Engineer/civil & hydrological	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$12000.00				X
4. LABOR CUP and DEP reporting	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$24000.00				X
5. Contractor/repairs and maint.	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$40800.00				X
6. Accounting/Auditing	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$3000.00	\$36000.00				X
7. Lawn Maintenance	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00				X
H. EQUIPMENT RENTAL																	
1. line pressure test pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00				X
I. Rental Real Estate																	
1. Access Easements	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00				X
J. TRANSPORTATION EXPENSES																	
1. Access Easements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
K. ANALYTICAL MONITORING																	
1. CONTRACT FEE LAB FOR ALL REQUIRED TESTING/ANNUAL	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$15000.00				X
L. INSURANCE																	
1. General liability	\$1200.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3200.00				X
2. Stockholders liability	\$800.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2300.00				X
3. Plant and equipment	\$2400.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6400.00				X
M. ADVERTISING																	
1. Loan PRINCIPLE AND INTREST	\$110.00	\$118.00	\$126.00	\$134.00	\$142.00	\$150.00	\$158.00	\$166.00	\$174.00	\$182.00	\$190.00	\$198.00	\$1848.00				X
O. LOAN OR BOND INT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				X
P. TRANSFERS OF FUNDING OUT																	
1. New Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
2. Renewal & Replacement Fund	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$10000.00				X
3. Reuse water dist. sys. fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				X
P. TAXES																	
1. Property taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24746.40	\$0.00	\$24746.40				X
2. Sales tax/Not applicable not for profit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				X
TOTAL EXPENSES	\$23006.17	\$19903.50	\$20086.83	\$20236.17	\$20393.50	\$21156.83	\$19220.17	\$19383.50	\$19546.83	\$19710.17	\$44819.90	\$20036.83	\$267268.40				
TOT. INCOME-TOT. EXPENSES													\$346703.20				

BLACK BEAR WATER CO. / PWS ID 3354938 / 2004 to 2008 OPREATING BUDGET

	2004 January	February	March	April	May	June	July	August	September	October	November	December	Total	/year	Cap. Imp.	fund tot.	ACTUAL
NEW UNITS TO BE SERVED	8	8	8	8	8	8	8	8	8	8	8	8	8	96			
TOTAL UNITS BEING SERVED	198	208	214	222	230	238	246	254	262	270	278	286	286				
INCOME sources and funding																	
BALANC: FORWARD	\$348703.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$348703.00			
UNMETERED WATER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
MONTHLY CHARGES/METERED	\$23188.00	\$24102.00	\$25038.00	\$25974.00	\$26910.00	\$27846.00	\$28782.00	\$29718.00	\$30654.00	\$31590.00	\$32526.00	\$33462.00	\$339788.00				
TAP OR CONNECTION FEE	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$144000.00				
FUTURE ADVANCE/LOAN PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				X
TOTAL INCOME AND FUNDING	\$361869.20	\$36102.00	\$37038.00	\$37974.00	\$38910.00	\$39846.00	\$40782.00	\$41718.00	\$42654.00	\$43590.00	\$44526.00	\$45462.00	\$930471.20				
EXPENSES																	
A. SALARIES/WAGES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
B. PURCHASED WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
C. PURCHASED UTILITIES																	
1. Purchased Power	\$1980.00	\$2060.00	\$2140.00	\$2220.00	\$2300.00	\$2380.00	\$2460.00	\$2540.00	\$2620.00	\$2700.00	\$2780.00	\$2860.00	\$28040.00				X
2. Telephone Service	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$3792.00				X
3. Security Monitoring	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$540.00				X
D. FUEL FOR POWER PROD.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				X
E. CHEMICALS																	
1. Chlorine (hypochlorite)	\$297.00	\$309.00	\$321.00	\$333.00	\$345.00	\$357.00	\$369.00	\$381.00	\$393.00	\$405.00	\$417.00	\$429.00	\$4356.00				X
F. MATERIALS SUPPLIES, PARTS																	
1. Pipes and pumps, chlorine inj.	\$330.00	\$343.33	\$356.67	\$370.00	\$383.33	\$396.67	\$410.00	\$423.33	\$436.67	\$450.00	\$463.33	\$476.67	\$4840.00				
2. General O&M tools, parts	\$247.50	\$267.50	\$287.50	\$297.50	\$297.50	\$297.50	\$307.50	\$317.50	\$327.50	\$337.50	\$347.50	\$357.50	\$3800.00				
3. Cleaning supplies	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00				
4. Paint	\$380.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$380.00				
5. Generator Fuel	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1200.00				X
G. CONTRACTUAL SERVICES																	
1. Plant Technicians/Operator	\$1480.00	\$1530.00	\$1570.00	\$1610.00	\$1650.00	\$1690.00	\$1730.00	\$1770.00	\$1810.00	\$1850.00	\$1890.00	\$1930.00	\$20520.00				X
2. Management/Administrative	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$48000.00				X
3. Engineer/civil & hydrological	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$12000.00				X
4. Legal, CUP, and DEP reporting	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$24000.00				X
5. Contractor/repairs and maint.	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$40800.00				X
6. Accounting/Auditing	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$48000.00				X
7. Lawn Maintenance	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00				X
H. EQUIPMENT RENTAL																	
1. line pressure test pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00				
I. Rental Real Estate																	
1. Access Easements	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00				X
J. TRANSPORTATION EXPENSES																	
1. CONTRACT FEE LAB FOR ALL REQUIRED TESTING/ANNUAL	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$15000.00				X
L. INSURANCE																	
1. General liability	\$1200.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3200.00				X
2. Stockholders liability	\$800.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2300.00				X
3. Plant and equipment	\$2400.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6400.00				X
M. ADVERTISING																	
1. Loan Principle and Interest	\$198.00	\$206.00	\$214.00	\$222.00	\$230.00	\$238.00	\$246.00	\$254.00	\$262.00	\$270.00	\$278.00	\$286.00	\$2904.00				
N. LOAN PRINCIPLE AND INTEREST																	
1. Loan or Bond Int.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				X
P. TRANSFERS OF FUNDING OUT																	
Q. CAPITAL EQUIP. PURCHASES																	
1. New Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
2. Renewal & Replacement Fund	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$20000.00			\$30000.00	
3. House water dist. sys. fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00	
R. TAXES																	
1. Property taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24748.40	\$0.00	\$24748.40				X
2. Sales tax (not applicable until 2011)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00	X
TOTAL EXPENSES	\$46392.56	\$43295.89	\$43469.23	\$43622.56	\$43785.89	\$44549.23	\$42612.56	\$42775.89	\$42939.23	\$43102.56	\$43265.89	\$43429.23	\$647877.12				
TOT. INCOME-TOT. EXPENSES													\$282494.08				

BLACK BEAR WATER CO. / PWS ID 3354938 / 2004 to 2008 OPPEATING BUDGET

	2007 January	February	March	April	May	June	July	August	September	October	November	December	Total	Cap. Imp. fund tot.	ACTUAL
NEW UNITS TO BE SERVED	8	8	8	8	8	8	8	8	8	8	8	8	96		
TOTAL UNITS BEING SERVED	288	294	302	310	318	326	334	342	350	358	366	374	374		
INCOME sources and funding															
BALANCE FORWARD	\$282494.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$282494.08		
UNMETERED WATER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
MONTHLY CHARGE/METERED	\$33462.00	\$34398.00	\$35334.00	\$36270.00	\$37206.00	\$38142.00	\$39078.00	\$40014.00	\$40950.00	\$41886.00	\$42822.00	\$43758.00	\$463326.00		
TAP OR CONNECTION FEE	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$144000.00		
FUTURE ADVANCE/LOAN PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
TOTAL INCOME AND FUNDING	\$327866.08	\$46398.00	\$47334.00	\$48270.00	\$49206.00	\$50142.00	\$51078.00	\$52014.00	\$52950.00	\$53886.00	\$54822.00	\$55758.00	\$689814.08		
EXPENSES															
A. SALARIES/WAGES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
B. PURCHASED WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
C. PURCHASED UTILITIES															
1. Purchased Power	\$2860.00	\$2940.00	\$3020.00	\$3100.00	\$3180.00	\$3260.00	\$3340.00	\$3420.00	\$3500.00	\$3580.00	\$3660.00	\$3740.00	\$39600.00		X
2. Telephones Service	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$3792.00		X
3. Security Monitoring	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$540.00		X
D. FUEL FOR POWER PROD.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
E. CHEMICALS															
1. Chlorine (hypochloride)	\$429.00	\$441.00	\$453.00	\$465.00	\$477.00	\$489.00	\$501.00	\$513.00	\$525.00	\$537.00	\$549.00	\$561.00	\$5940.00		X
F. MATERIALS SUPPLIES, PARTS															
1. Pipes and pumps, chlorine in.	\$475.67	\$490.00	\$503.33	\$516.67	\$530.00	\$543.33	\$556.67	\$570.00	\$583.33	\$596.67	\$610.00	\$623.33	\$6800.00		X
2. General O&M tools parts	\$357.50	\$367.50	\$377.50	\$387.50	\$397.50	\$407.50	\$417.50	\$427.50	\$437.50	\$447.50	\$457.50	\$467.50	\$4950.00		X
3. Cleaning supplies	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00		X
4. Paint	\$380.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$360.00		X
5. Generator Fuel	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1200.00		X
G. CONTRACTUAL SERVICES															
1. Plant Technicians/Operator	\$1930.00	\$1970.00	\$2010.00	\$2050.00	\$2090.00	\$2130.00	\$2170.00	\$2210.00	\$2260.00	\$2290.00	\$2330.00	\$2370.00	\$25800.00		X
2. Management/Administrative	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$5000.00	\$60000.00		X
3. Engineer/civil & hydrological	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$12000.00		X
4. Legal/CLUP and DEP reporting	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$24000.00		X
5. Contractor/repairs and maint.	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$40800.00		X
6. Accounting/Auditing	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$48000.00		X
7. Lawn Maintenance	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00		X
H. EQUIPMENT RENTAL															
1. line pressure test pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00		
I. Rental Real Estate															
1. Access Easements	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00		X
J. TRANSPORTATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
K. ANALYTICAL MONITORING															
1. CONTRACT FEE LAB FOR ALL REQUIRED TESTING/ANNUAL	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$15000.00		X
L. INSURANCE															
1. General liability	\$1200.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3200.00		X
2. Stockholders liability	\$800.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2300.00		X
3. Plant and equipment	\$2400.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6400.00		X
M. ADVERTISING	\$266.00	\$294.00	\$302.00	\$310.00	\$318.00	\$326.00	\$334.00	\$342.00	\$350.00	\$358.00	\$366.00	\$374.00	\$3980.00		
N. LOAN PRINCIPLE AND INTREST	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$225148.72		X
O. LOAN OR BOND INT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
P. TRANSFERS OF FUNDING OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
Q. CAPITAL EQUIP. PURCHASES															
1. New Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
2. Renewal & Replacement Fund	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$20000.00	\$50000.00	
3. House water dist. sys. land	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$1666.67	\$20000.00	\$20000.00	
R. TAXES															
1. Property taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24746.40	\$0.00	\$24746.40		X
2. Sales tax (not applicable not for profit)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		X
TOTAL EXPENSES	\$50866.89	\$47759.23	\$47922.56	\$48085.89	\$48249.23	\$49012.56	\$47075.89	\$47239.23	\$47402.56	\$47565.89	\$47245.63	\$47832.58	\$601537.12		
TOT. INCOME-TOT. EXPENSES													\$282276.95		

BLACK BEAR WATER CO. / PWS ID 3354938 / 2004 to 2008 OPPREATING BUDGET

	2008 January	February	March	April	May	June	July	August	September	October	November	December	Total	/year	Cap. Imp.	fund tot.	ACTUAL
NEW UNITS TO BE SERVED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL UNITS BEING SERVED	374	382	390	398	406	414	422	430	434	434	434	434	434	434			
INCOME sources and funding																	
BALANCE FORWARD	\$288276.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$288276.9			
UNMETERED WATER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
MONTHLY CHARGEMETERED	\$43758.00	\$44694.00	\$45630.00	\$46566.00	\$47502.00	\$48438.00	\$49374.00	\$50310.00	\$50778.00	\$50778.00	\$50778.00	\$50778.00	\$50778.00	\$579384.00			
TAP OR CONNECTION FEE	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$12000.00	\$6000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$102000.00			
FUTURE ADVANCE LOAN PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
TOTAL INCOME AND FUNDING	\$344034.95	\$56894.00	\$57830.00	\$58586.00	\$59302.00	\$60438.00	\$61374.00	\$62310.00	\$62778.00	\$60778.00	\$50778.00	\$50778.00	\$50778.00	\$969860.95			
EXPENSES																	
A. SALARIES, WAGES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
B. PURCHASED WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
C. PURCHASED UTILITIES																	
1. Purchased Power	\$3740.00	\$3820.00	\$3900.00	\$3980.00	\$4060.00	\$4140.00	\$4220.00	\$4300.00	\$4340.00	\$4340.00	\$4340.00	\$4340.00	\$4340.00	\$49520.00			X
2. Telephones Service	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$316.00	\$3792.00			X
3. Security Monitoring	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$540.00			X
D. FUEL FOR POWER PROD.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
E. CHEMICALS																	
1. Chlorine (hypochlorite)	\$561.00	\$573.00	\$585.00	\$597.00	\$609.00	\$621.00	\$633.00	\$645.00	\$651.00	\$651.00	\$651.00	\$651.00	\$651.00	\$7428.00			X
F. MATERIALS SUPPLIES, PARTS																	
1. Pipes and pumps, chlorine inj.	\$923.33	\$936.67	\$950.00	\$963.33	\$976.67	\$990.00	\$703.33	\$716.67	\$723.33	\$723.33	\$723.33	\$723.33	\$723.33	\$8253.33			
2. General O&M tools ,parts	\$487.50	\$477.50	\$487.50	\$497.50	\$507.50	\$517.50	\$527.50	\$537.50	\$542.50	\$542.50	\$542.50	\$542.50	\$542.50	\$6190.00			
3. Cleaning supplies	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00			
4. Paint	\$380.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$380.00			
5. Generator Fuel	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1200.00			X
G. CONTRACTUAL SERVICES																	
1. Plant Technicians/Operator	\$2370.00	\$2410.00	\$2450.00	\$2490.00	\$2530.00	\$2570.00	\$2610.00	\$2650.00	\$2670.00	\$2670.00	\$2670.00	\$2670.00	\$2670.00	\$30780.00			X
2. Management/Administrative	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$6000.00	\$72000.00			X
3. Engineer/civil & hydrological	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$12000.00			X
4. Legal/ CUP and DEP reporting	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$2000.00	\$24000.00			X
5. Contractor/repairs and maint.	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$3400.00	\$2200.00	\$1000.00	\$1000.00	\$1000.00	\$1000.00	\$32400.00			X
6. Accounting/Auditing	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$4000.00	\$48000.00			X
7. Lawn Maintenance	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00			X
H. EQUIPMENT RENTAL																	
1. line pressure test pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00			
I. Rental Real Estate																	
1. Access Easements	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3000.00			X
J. TRANSPORTATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
K. ANALYTICAL MONITORING																	
1. CONTRACT FEE LAB FOR ALL REQUIRED TESTING/ANNUAL	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$1250.00	\$15000.00			X
L. INSURANCE																	
1. General liability	\$1200.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3200.00			X
2. Stockholders liability	\$800.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2300.00			X
3. Plant and equipment	\$2400.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6400.00			X
M. ADVERTISING	\$374.00	\$382.00	\$390.00	\$398.00	\$406.00	\$414.00	\$422.00	\$430.00	\$434.00	\$434.00	\$434.00	\$434.00	\$434.00	\$4952.00			
N. LOAN PRINCIPLE AND INTEREST	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$18782.39	\$225118.72			X
O. LOAN OR BOND INT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
P. TRANSFERS OF FUNDING OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
Q. CAPITAL EQUIP. PURCHASES																	
1. New Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
2. Renewal & Replacement Fund	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$2500.00	\$30070.00			\$80000.00
3. Reuse water dist. sys. fund	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$3333.33	\$40000.00			\$80000.00
R. TAXES																	
1. Property taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24746.40	\$0.00	\$24746.40				X
2. Sales Tax (Not applicable not for profit)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			X
TOTAL EXPENSES	\$56162.56	\$53055.89	\$53218.23	\$53382.56	\$53546.89	\$54309.23	\$52372.56	\$52535.89	\$51417.58	\$50217.56	\$74963.96	\$50217.56	\$50217.56	\$655390.48			
TOT. INCOME-TOT. EXPENSES														\$314270.50			



Department of Environmental Protection

Jeb Bush
Governor

Central District
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767

David B. Struhs
Secretary

June 3, 2002

CERTIFIED MAIL
7099 3400 0010 5323 5852

Black Bear Water Company
24525 County Road 44A
Eustis, FL 32736

OCD-PW-02-0419

Attention: Mark Carson, President

Lake County - PW
Black Bear Reserve Water System
Capacity Development

Villages of Black Bear

Dear Mr. Carson:

This letter is to inform you about the State of Florida's New Systems Capacity Development Program. This program was developed to meet Federal requirements found in the 1996 Federal Safe Drinking Water Act. Capacity Development is an initiative to ensure the technical, financial and managerial capacity of water systems.

Our records show that your water system is a community water system (CWS) or non-transient non-community water system (NTNCWS) that commenced operations on, or after, October 1, 1999.

The Department is required to assess the financial and managerial capacity of the subject water system through the evaluation of the completed DEP Form 62-555.900(20), Capacity Development Financial and Managerial Operation Plan, and all the required attachments. Failure to submit a first draft of the completed plan with all required attachments within 30 days of receipt of this letter may result in enforcement action.

Enclosed is a copy of DEP Form 62-555.900(20) and the New Water System Capacity Development Planning Manual. It is not mandatory to read any part of this manual. The manual contains a description of the capacity development requirements, an example of a completed Form 62-555.900(20) for a hypothetical water system, information usable for an optional self assessment, and other information.

Your continued cooperation in our drinking water program is appreciated. We look forward to receiving your completed form.

Sincerely,

Richard S. Lott, P.G., P.E.
Manager, Drinking Water Program

RSL:fh:pp

Enclosure

cc: Virginia Harmon, Capacity Development Coordinator, DEP Tallahassee

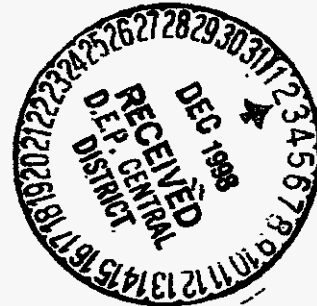
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RICHARD M. LABINSKY, P.E., INC.
CONSULTING ENGINEERING SERVICES

December 1, 1998

Mr. Richard S. Lott, P.G., P.E.
Department of Environmental Protection
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767



RE: Blackbear Reserve
PA Number: 0144927-001

Dear Richard:

Please accept this letter in response to your comment letter dated September 23, 1998 regarding the above mentioned project. The following are our responses to your comments (comments have been repeated for your convenience):

General:

- 1) It has come to our attention that the distribution system has already been constructed, as well as a portion of the water plant. This is a violation of Rule 62-555 F.A.C. Certified Record Drawings will be required for the already completed portions of this water system. Separate correspondence will be forthcoming from our enforcement section.

Please review the attached letter from Mark Carson to Frank Hutner addressing the history of the existing system.

- 2) The Public Service Commission (PSC) Certificate for Water is needed, unless the project is exempt from PSC jurisdiction, in which case a copy of the letter of exemption is needed.

Refer to attached legal opinion prepared by J. A. Jurgens, P.A. with reference to PSC licensing.

- 3) There are two different names that have been applied to this project. Besides "Villages of Blackbear", the name "Upson Downs" has also appeared in well permitting correspondence and on the test results. Please clarify.

The proposed water treatment plant and distribution system will serve the surrounding developments which were previously known as the "Villages of Blackbear", "Upson Downs" and the "Clarmart" subdivisions. These developments have now been group and renamed as "Blackbear Reserve". "Blackbear Reserve" will be subdivided into "The Villages at Blackbear", "The Glen at Blackbear" and "The Estates at Blackbear". The limits and phasing of each is depicted on the Master Plan, see sheet 3 of 13.

Wells:

- 1) A larger scale, more detailed surveyed site plan is needed depicting location of the well(s) on the plant site along with the 100-foot and 200-foot setback radii verifying no existing or future sanitary hazards within said radii. The stormwater pond to the north must be a minimum 100 feet from the production wells. Also depict finished grade elevations and drainage features with respect to well locations.

Larger scale plans (1"=100') depicting the 100-foot and 200-foot setback radii as well as future and existing sanitary hazards and stormwater ponds have been included for review, see sheet 4 of 13.

- 2) The driller's well completion report does not indicate method of well construction. Was it rotary?

The method of well construction was hammer driven.

- 3) The driller's well completion report you provided indicates a two-hour pump test at only 60 gpm, while you are proposing a well pump at 800 to 1,070 gpm. A four-inch well could not be expected to supply the flow you are proposing. Please comment.

The flow test report for the 10" well is attached. The well maintained a 1000 gpm flow for the entire 3.75 hour test.

- 4) The chemical test results submitted only included nitrates, nitrates and lead. All of the primary and secondary drinking water standards must be tested, as well as hydrogen sulfide and turbidity. Refer to the attached copy of our March letter to the applicant and well contractor which itemized these parameters.

Additional chemical test results are being processed and will be forwarded to your attention upon receipt.

- 5) A standby well is required. This must be permitted through the St. Johns River Water Management District, constructed and tested. Provide copies of the construction permit, the complete chemical analysis and the well completion report (including pump test results) for the standby well.

A 500 gpm, 8" standby well is presently being constructed. The St. Johns River Water Management District construction permit is attached for your files. The pump test report, chemical analysis and drillers well completion report will be submitted for review upon completion.

- 6) An elevation view of the well head is not depicted along with elevation of casing, minimum 6 x 6 ft. x 4 in. concrete apron, pump, valves, piping and appurtenances.

An elevation view of the well head which details the casing, 6' x 6' x 4" concrete apron, pump, valves, piping and appurtenances has been added to the plans as requested, see plan sheets 10 & 12 of 13.

- 7) There are no details depicting how the well will be piped into the water plant.

Revised plans depicting how the piping from the well heads to the pump house to the water distribution system are included for review, see sheets 10 & 11 of 13.

- 8) The well head must be protected from tampering and vandalism.

Six-foot high chain link fencing has been specified around the perimeter of the well heads to protect against tampering and vandalism, see sheets 10 & 12 of 13.

- 9) The pump curve does not correspond with the "800 gpm at 230 feet TDH" stated on page 6 of the application. Also, if 750 gpm fire flow is required, the well must be able to meet that plus one-half the max. day potable water demand (156 gpm).

The previous pump curve submitted was for the 4" well. Pump curve data for the 10" well is attached for your review. The design conditions are 1000 gpm @ 310 ft.

- 10) Specifications for pipe materials, testing and disinfection are needed for the raw water piping, as well as depth of cover.

Specifications for pipe materials, testing, disinfection and depth of cover are detailed on the "Specifications and General Notes" sheet of the plan set.

- 11) We will proviso the completion of a satisfactory bacteriological well survey following installation of the permanent pump (no response needed).

Acknowledged.

Water Plant:

- 1) The plans for the water plant are signed and sealed by an architect. This is not acceptable. These must be prepared and signed, sealed and dated by a Florida-registered engineer (i.e., yourself if you are the project engineer as indicated in the application).

The plans for the water treatment plant and distribution system have been prepared and signed and sealed by myself as the project engineer.

- 2) At the max. day flow you project (450,000 gpd or 312.5 gpm), 9,375-gallons of storage will be needed to provide the required 30 minutes of chlorine contact time. Only 50% of the hydropneumatic tanks are credited towards chlorine contact. The 5,000-gallon usable capacity for a 6,000-gallon hydropneumatic tank is therefore not accurate, and a 6,000-gallon tank would be inadequate anyway.

In addition to the existing 6,000-gallon tank, two 12,000-gallon tanks are proposed. At 50% credit, 15,000-gallons of storage is provided for the required 30 minutes of chlorine contact time, see sheet 10 of 13.

- 3) Plans do not depict how the plant is connected to the distribution system.

Larger scale plans (1"=100') have been included as requested. Connection of the water treatment plant to the water distribution system are detailed on these plans, see sheet 4,5 & 10 of 13.

- 4) Specify capacity range for flow meters.

The 6" flow meters have a capacity range of 90 - 1200 gpm while the 3" flow meter has a capacity range of 40 - 250 gpm.

- 5) Specifications are needed for auxiliary power including KW rating, automatic startup capability, and fuel storage and capacity (how many hours/days of operation will fuel supply provide?).

The proposed generator will provide 180 KW. Automatic startup ability will be provided via the proposed GTS-300 Automated Transfer Switch. The proposed 300 gallon fuel tank will provide a minimum of 48 hours of operation. Specifications for the proposed components are included for your review.

- 6) The system operating pressure is listed as 20-70 psi. The minimum pressure at the plant must be significantly higher than 20 psi in order to provide the required minimum of 20 psi in the distribution system under all conditions.

The operating pressure at the water treatment plant will be 70 psi minimum while the operating pressure within the distribution system will be 20 psi minimum at the further most point of the system.

- 7) Please label the last two construction sheets in the "Pump House Building" submittal.

All revised plan sheets have been labeled as required.

Gas Chlorination:

- 1) To insure adequate cross ventilation, the door should be louvered. It should also be emphasized on the plans that the exhaust fan be installed at or near floor level.

A louvered door to the chlorination room and a floor level exhaust fan have been specified as requested on the plans, see sheet 11 of 13.

- 2) Parallel ten-inch piping and chlorine injection points are depicted inside the building. It is unclear how this relates to the overall piping scheme. Also, duplicate wells will require capability to adjust chlorine gas feed rates separately.

The internal piping scheme within the pump house is depicted on plan sheet 11 of 13. An overall pump house site layout showing the piping into and out of the pump house is detailed on sheet 10 of 13. Dual chlorine injection points with rate adjustment capability are detailed on sheets 11 & 12 of 13.

- 3) An emergency breathing apparatus (air pack) will be required for the plant operator.

An emergency breathing apparatus to be located inside the chlorination room has been specified on the plans, see sheet 11 of 13. Product documentation is enclosed for review.

- 4) An outside light and fan switch will be needed outside the door.

An outside light and fan switch adjacent to the door to the chlorination room has been specified on the plans, see sheet 12 of 13.

- 5) Warning signage outside the room will be needed for the gas chlorine.

Warning signage posted on the outside of the door to the chlorination room have been specified on the plans, see sheet 12 of 13.

- 6) Specify capacity in pounds per/day of the gas chlorination.

The proposed chlorination has a maximum capacity of 100 lbs per 24 hours, see enclosed product information.

Distribution System:

- 1) The distribution system plans are not very legible. Fire hydrants and valves are not clearly depicted. Larger scale plans are needed for individual streets. The size of the main leaving the plant site is not indicated.

Distribution plans have been revised at a larger scale (1"=100') to assist in your review. These plans detail the piping into and out of the pump house and show the connection to the main distribution system, see sheets 4, 5 & 10 of 13.

- 2) Streets should be named for reference purposes, and phasing should be clearly marked so as to distinguish lot numbers in one phase from the same lot numbers in another phase.

Street names and phase lines have been indicated on the plans for references purposes as requested.

- 3) Provisions for flushing are needed. Some lines terminate with no indication of fittings or blowoffs.

Flushing will be provided by means of blowoffs and fire hydrants. Blowoffs at line terminations, fittings and fire hydrants have been indicated on the larger scale plan sheets.

- 4) No stormwater or sanitary sewer lines are depicted. Such are needed to verify adequate horizontal clearance and crossings where the vertical separation must be maintained.

Stormwater pipes have been added to the plans with specifications as to minimum vertical separation. Sanitary sewer service shall be provided via individual septic tanks and, as such, no

Mr. Richard S. Lott, P.G., P.E.

November 24, 1998

Page 6

- 4) (cont.)
sanitary sewer lines are depicted on the plans. Street drainage will be provided via roadside swales. All culvert crossings at intersections will be set with the mitered end sections equal to the invert of the swale. Water mains running beneath the swale maintain 36" minimum cover and therefore will be providing the required 18" minimum separation in all cases.
- 5) Air relief valves needed at high points? If so, depict locations and details.
Air relief valves have been depicted on the larger scale plan sheets as required.
- 6) Plans do not specify if piping is PVC or ductile iron. If ductile iron, provide specifications.
All water main piping, as depicted on the plans, shall be DR-18 PVC unless specified otherwise. Specifications for PVC and ductile iron pipe are given on sheet 2 of 13 of the plan set.

Please find enclosed one (1) signed and sealed copy of revised engineering plans for the treatment plant and water distribution system. In addition, copies of requested information and revised application pages 1, 6, 8 & 9 have been included for your review.

Chemical analysis results and pump curves for the 8" standby well will be forwarded to your attention upon completion. Should you have any additional questions or require clarification of any of these items, please do not hesitate to contact my office.

Sincerely,



Richard M. Labinsky, P.E.

cc. Mark Carson, Frank Hutner w/ encl.

Frank P. Hutner
Section Supervisor
Drinking Water Permitting
Department of Environmental Protection
Central District
3319 McGuire Boulevard
Orlando, Florida 32803-3767



November 15, 1998

Regarding: PA Number 0144927-001

Dear Mr. Hutner,

As per our phone conversation, I will give you a brief written history of the project known as Black Bear Reserve, and formerly known as Upson Downs.

First, it is important that you understand that the engineered drawings and permit application actually encompass three (3) projects.

The first is the Upson Downs project. This is a 274 unit PUD which encompasses approximately 423 acres. The PUD, as approved, allows for individual septic and private wells.

The second project is the Clar-Mart subdivision. This project is straight zoned "Rural Residential", minimum 1 acre lots. This project is proposed to have a total of 50 lots on aprox. 65 acres. This zoning category allows for individual septic and private wells.

The third project is the Seminole Springs PUD, consisting of 130 lots, as amended, on approximately 49 acres, excluding the golf course. The current PUD allows for individual septic, as amended, but does require central water.

All three projects require central fire protection with a minimum flow rate of 750 gal per minute at 20 psi. Current fire code requires that hydrants be placed within 1000 feet of each other.

These three projects, now described as Black Bear Reserve, are the projects to be served under the current application as submitted to DEP.

As to paragraph 1, on page 2 of Mr. Lott's letter dated September 23, 1998, concerning pre construction of a water distribution system and water plant and the potential of a violation, I offer the following history.

Upson Downs was approved as a PUD in 1989, it was permitted by the SJRWMD and approved for construction by Lake County in 1991. As a part of the approvals, Lake County required central fire protection, thus the required installation of the 6" and 8" water lines as depicted on the drawings as submitted to DEP. All lines were engineered, and constructed to potable water standards. Subsequent to the final completion of these water lines Lake County Fire Department advised us that we would need additional fire flow for the designated

Commercial area in the extreme south east corner of the project. This flow requirement was represented to be a minimum of 2000 gal per min. at 20 psi. The planned well was not originally designed for this capacity. Therefore an alternate source was necessary.

The SJRWMD was also pushing hard for alternative water sources for non essential uses such as this fire flow and irrigation, so we altered our construction schedules and site plans and started the 70 acre wet detention area so as to be able to draw water from this alternate source. As a part of this alteration, a 10" water main was installed so as to supply the additional water capacity necessary for fire protection and irrigation.

The SJRWMD's issuance of a "temporary only" permit to the adjacent independently owned golf course had an additional impact upon our decision to install these additional lines. They were required to have an alternate surface water supply upon expiration of their temporary Consumptive Use Permit. A contract between the parties was executed so as to provide water for irrigation in 1994-1995. These lines would have carried the non potable water for use of irrigation of the golf course. The golf course at that time was owned by Black Bear Golf Club LTD., an entity which I nor any company which I had any affiliation, had an ownership in. Additionally, myself nor any company which I had an affiliation, had any ownership interest in the development portion of the Seminole Springs PUD. Your permit files show the previous ownership and permit data as it relates to the Black Bear Golf Club and the Seminole Springs PUD.

As happens, the developer of the Seminole Springs PUD, the Estate Of Herbert Meyer, had financial difficulties and declared bankruptcy on one of its other locally owned projects and additionally defaulted on loans concerning the Seminole Springs PUD. The project was foreclosed in the Circuit Court in Lake County. So as to preserve the value and integrity of my project, an affiliated company of mine purchased the land, less the first 13 platted lots, at the Sheriff's sale in November of 1997. Subsequent to the sale a request for permit transfer for the unimproved and unplotted portions, was requested from both DEP and SJRWMD.

Home construction in the Seminole Springs project began in spring of 1998 on the platted lots owned by other parties. A contract to provide water for fire protection only was entered into with the builder and lines were installed. All lines were engineered and installed to DEP specification for potable water use. This was done due to the fact that this was approved for construction by Lake County as per submittals to Lake County by the previous owners and permitted under dry line permits from DEP.

Potable water was to be provided for these first 13 lots by and through a bond forfeited by the previous owner and held by Lake County for the specific purpose of providing potable water.

Again, our development plans had to be altered once we took ownership of the Seminole Springs project. A PUD modification was submitted to Lake County to eliminate the need for sanitary lines and the sewage treatment plant among other things. This PUD modification was unanimously approved by the Lake County Board of County Commissioners. We cured the fire flow problem by limiting the intensity and use of the commercial area. We can use the projected flows of the system as currently designed and submitted to DEP.


We subsequently found that there had never been a consumptive permit issued in an adequate capacity to handle the potable water requirements of the project. As time passed, 1989 to 1998, the SJRWMD became more conservative in its willingness to issue Consumptive Use Permits in this sensitive recharge area. After months of negotiations it was agreed that we would apply to the SJRWMD for a modification to our, (Upson Downs), Consumptive Use Permit and include a central water distribution system, and a single plant for the entire project area (all three projects), thus reducing the potential of 300 plus individual unregulated wells. Application was then made to DEP to upgrade the existing fire flow distribution system and install additional dry lines and add a chlorination plant to the existing fire flow well head distribution system.

As to the water plant construction, the only difference between the construction for fire flow and potable water is the chlorination and chlorination affiliated equipment requirements. We will add all required equipment as per plans to meet any and all requirements as required by Florida law.

I hope this clears up any questions you may have concerning these projects as it relates to DEP jurisdiction.

If the response to the request for additional information provided by the project engineer Mr. Rick Labinsky, is still not adequate I would appreciate being informed of the same.

Sincerely,


Mark Carson
P.O. Box 520
Sorrento, Florida 32776
407-884-5304

cc: Richard S. Lott, P.G., P.E.
Bob Anseg, DEP Compliance/Enforcement
Jay Jurgens, ESQ.
Rick Labinsky, P.E.

KSB



Department of Environmental Protection

Lawton Chiles
Governor

Central District
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767
September 23, 1998

Virginia B. Wetherell
Secretary

Richard M. Labinsky, P.E., Inc.
108 Essex Drive
Longwood, FL 32779

OCD-PW-98-0554

Attention: Richard M. Labinsky, P.E.

Lake County - PW
Villages of Black Bear

PA Number: 0144927-001

TRR:
FYI + HEADS -
UP -

Dear Mr. Labinsky:

Your application for a permit to construct the referenced water system was received on August 24, 1998.

DESCRIPTION OF PROJECT

This project consists of constructing a water treatment plant and distribution system to serve the proposed 470-lot "Villages of Black Bear" residential subdivision, located at the intersection of County Roads 44A and 437 approximately six-and-a-half miles east of Eustis at 24525 County Road 44A. Proposed are:

- a four-inch well constructed to 256 ft. with 165 feet of four-inch casing and 101 feet of eight-inch surface casing.
- a 125 hp Goulds turbine pump rated at 1070 gpm at 360 feet TDH
- a vacuum gas chlorination system with two injection points
- a 6,000-gallon hydropneumatic tank
- a diesel generator
- a distribution system to serve 470 single family residences

Two additional wells are also proposed on the plant site.

Projected maximum daily system demand is 450,000 gallons/day. Fire flow (750 gpm) is also proposed. This plant will require a Class C or higher certified water plant operator on-site for five days/week and one weekend visit.

The project is located in Section 30 and 31, Township 18 South, Range 28 East; Latitude 28 53' 00", Longitude 81 33' 00"

In accordance with Rule 62-555.520 of the Florida Administrative Code [F.A.C.], the following items need to be addressed or included in your resubmitted:

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

GENERAL

1. It has come to our attention that the distribution system has already been constructed, as well as a portion of the water plant. This is in violation of Rule 62-555 F.A.C. Certified Record Drawings will be required for the already completed portions of this water system. Separate correspondence will be forthcoming from our enforcement section.
2. The Public Service Commission [PSC] Certificate for Water is needed, unless the project is exempt from PSC jurisdiction, in which case a copy of the letter of exemption is needed.
3. There are two different names that have been applied to this project. Besides "Villages of Black Bear", the name "Upson Downs" has also appeared in well permitting correspondence and on the test results. Please clarify.

WELL (S)

1. A larger scale, more detailed surveyed site plan is needed depicting location of the well(s) on the plant site along with the 100-foot and 200 foot setback radii verifying no existing or future sanitary hazards within said radii. The stormwater pond to the north must be a minimum 100 feet from the production wells. Also depict finished grade elevations and drainage features with respect to well locations.
2. The driller's well completion report does not indicate method of well construction. Was it rotary?
3. The driller's well completion report you provided indicates a two-hour pump test at only 60 gpm, while you are proposing a well pump at 800 to 1,070 gpm. A four-inch well could not be expected to supply the flow you are proposing. Please comment.
4. The chemical test results submitted only included nitrates, nitrites and lead. All of the primary and secondary drinking water standards must be tested, as well as hydrogen sulfide and turbidity. Refer to the attached copy of our March letter to the applicant and well contractor which itemized these parameters.
5. A standby well is required. This must be permitted through the St. Johns River Water Management District, constructed and tested. Provide copies of the construction permit, the complete chemical analysis and the well completion report (including pump test results) for the standby well.
6. An elevation view of the well head is not depicted along with elevation of casing. Minimum 6 x 6 ft. x 4 in. concrete apron, pump, valves, piping and appurtenances.
7. There are no details depicting how the well will be piped into the water plant.
8. The well head must be protected from tampering and vandalism.
9. The pump curve does not correspond with the "800 gpm at 230 feet TDH" stated on Page 6 of the application. Also, if 750 gpm fire flow is required, the well must be able to meet that plus one-half the max. day potable water demand (156 gpm).

10. Specifications for pipe materials, testing and disinfection are needed for the raw water piping, as well as depth of cover.
11. We will proviso the completion of a satisfactory bacteriological well survey following installation of the permanent pump (no response needed).

WATER PLANT

General

1. The plans for the water plant are signed and sealed by an architect. This is not acceptable. These must be prepared and signed, sealed and dated by a Florida-registered engineer (i.e., yourself if you are the project engineer as indicated in the application).
2. At the max. day flow you project (450,000 gpd or 312.5 gpm), 9,375-gallons of storage will be needed to provide the required 30 minutes of chlorine contact time. Only 50% of hydropneumatic tanks are credited towards chlorine contact. The 5,000-gallon usable capacity for a 6,000-gallon hydropneumatic tank is therefore not accurate, and a 6,000-gallon tank would be inadequate anyway.
3. Plans do not depict how the plant is connected to the distribution system.
4. Specify capacity range for flow meters.
5. Specifications are needed for auxiliary power including KW rating, automatic startup capability, and fuel storage and capacity (how many hours/days of operation will fuel supply provide?).
6. The system operating pressure is listed as 20-70 psi. The minimum pressure at the plant must be significantly higher than 20 psi in order to provide the required minimum of 20 psi in the distribution system under all situations.
7. Please label the last two construction sheets in the "Pump House Building" submittal.

Gas Chlorination

1. To insure adequate cross ventilation, the door should be louvered. It should also be emphasized on the plans that the exhaust fan be installed at or near floor level.
2. Parallel ten-inch piping and chlorine injection points are depicted inside the building. It is unclear how this relates to the overall piping scheme. Also, duplicate wells will require capability to adjust chlorine gas feed rates separately.
3. An emergency breathing apparatus (air pack) will be required for the plant operator.
4. An outside light and fan switch will be needed outside the door.
5. Warning signage outside the room will be needed for the gas chlorine.
6. Specify capacity in pounds per/day of the gas chlorinator.

Richard M. Labinsky, P.E., Inc.

Page 4

OCD-PW-98-0554

September 23, 1998

DISTRIBUTION SYSTEM

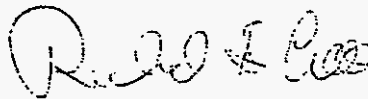
1. The distribution system plans are not very legible. Fire hydrants and valves are not clearly depicted. Larger scale plans are needed for individual streets. The size of the main leaving the plant site is not indicated.
2. Streets should be named for reference purposes, and phases should be clearly marked so as to distinguish lot numbers in one phase from the same lot numbers in another phase.
3. Provisions for flushing are needed. Some lines terminate with no indication of fittings or blowoffs.
4. No stormwater or sanitary sewer lines are depicted. Such are needed to verify adequate horizontal clearance and crossings where the vertical separation must be maintained.
5. Are air relief valves needed at high points? If so, depict locations and details.
6. Plans do not specify if piping is PVC or ductile iron. If ductile iron, provide specifications.

Please respond to each of these items and include one set of revised drawings within 45 days.

If you have any questions, please contact Mr. Frank P. Huttner at (407)893-3300.

Upon receipt of the requested information, review of this project will continue.

Sincerely,



Richard S. Lott, P.G., P.E.
Manager, Drinking Water Program

RSL/ah:pp

cc: Mark Carson, President [Black Bear Water Company, Inc.]
Bob Ansag, DEP Compliance/Enforcement



Department of Environmental Protection

Lawton Chiles
Governor

Central District
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767

Virginia B. Wetherell
Secretary

March 13, 1998

CERTIFIED
Z 227 219 989

Upson Downs
Post Office Box 520
Sorrento, FL 32776

Attention: Mark Carson

Lake County-WSW
Upson Downs Phase I

Dear Applicant:

The St. Johns River Water Management District has forwarded to us a copy of your application for a permit to construct a community public water supply well. This department has the authority to permit and monitor construction and operation of all pumping and treatment equipment as well as distribution facilities. Other local governmental entities might also have requirements which you will need to meet.

This is a preliminary letter to advise you of this department's requirements which must be met after the St. Johns River Water Management District has issued the permit to construct your well.

In accordance with Chapter 62-555, Florida Administrative Code (F.A.C.), it shall be necessary to provide, and obtain approval for, those items below prior to constructing any of the potable water system (raw water piping, pumping, treatment, distribution piping, etc.) beyond the well head:

1. A legible copy of the well contractor's well completion report following completion of the drilling operation.
2. THROUGH A FLORIDA-REGISTERED PROFESSIONAL ENGINEER, a completed application [DER Form 62-555.910(1), copy enclosed] with one copy of signed and sealed engineering plans, specifications, appropriate fee and related documents (including pump curve and well yield test results) covering this well, pump, piping, and any treatment and distribution facilities for review towards approval for constructing the remainder of the water system beyond the well head.
3. Results of a chemical analysis of a sample of water from this well performed by a laboratory certified by the State of Florida, Department of Health and Rehabilitative Services for the parameters indicated on the next page:

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Printed on recycled paper.

Upton Downs
Page Two
March 13, 1998

Primary Inorganic Contaminants

Turbidity, NTU*

(*Note: Well should be properly developed until a turbidity level of 1.0 NTU or less is demonstrated.)

Pesticides and Polychlorinated Biphenyls (PCBs)

Hydrogen Sulfide

Volatile Organic Compounds

Unregulated Organic Contaminants

Gross Alpha Radioactivity

Secondary Standards

Following disinfection of the well and installation of the permanent pump, results of a 20-sample bacteriological survey will be required. No more than two samples, at least six hours apart, shall be collected per day. The samples of raw water from the well shall be submitted to a laboratory certified by the Department of Health and Rehabilitative Services for bacteriological analysis.

Sincerely,



Frank P. Huttner
Section Supervisor
Drinking Water Permitting

FPH:rr

Attachment

cc: Lake County Health Department
William L. Sima [Ellis Well Drilling]

8/11/01
RM 7/20/01
then to file

J. A. JURGENS, P.A.

Attorneys at Law

505 Wekiva Springs Road
Suite 500

Longwood, Florida 32779
Telephone: (407) 772-2277

Facsimile: (407) 772-2278

Of Counsel:

Brickleyer Smolker
& Folves, P.A.

500 E. Kennedy Blvd.

Suite 200

Tampa, Florida 33602

J. A. Jurgens

Scott M. Price

Albert E. Ford II

August 16, 2001

VIA FACSIMILE
(407) 897-2966

Mr. Roberto C. Ansag
Environmental Manager
Drinking Water Compliance/Enforcement
State of Florida Department of Environmental Protection
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767

Re: Black Bear Reserve Water Treatment Plant

Dear Mr. Ansag:

In response to your correspondence dated July 19, 2001 and the Inspection Report dated July 11, 2001, please be advised that the deficiency as to the air pak has been corrected. Please note that the owner of the water plant has contracted directly with Plant Technicians, Inc. to ensure proper chlorination of the potable water associated with the system.

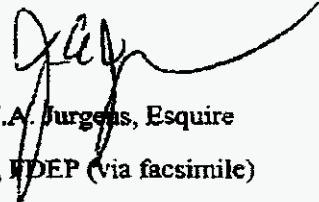
As to the generator mentioned in the Water Treatment Plant Compliance Inspection Report dated July 11, 2001, the generator at issue is a back-up generator. The back-up generator is an older generator and the water plant owner has had difficulty obtaining the necessary parts to repair the back-up generator. We anticipate locating the remaining parts in the next several weeks and will advise your office immediately upon completion of repairs to the back-up generator.

I trust the above responds to the Inspection Report and your correspondence of July 19, 2001. Further, please direct all future correspondence to the undersigned and please Mr. Richard Pearce as the contact person for the water treatment plant.

Thank you for your assistance. If you should have any specific questions or comments, please feel free to call directly.

Sincerely yours,

J.A. JURGENS, P.A.



J.A. Jurgens, Esquire

JAJ/aer

cc: Ms. Karen Milicic, Environmental Specialists I, WDEP (via facsimile)
Mr. Mark R. Carson (via facsimile)