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Aqua Utilities Florida, Inc.'s Response to Citizens' Preliminary Areas of Concern

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for increase in water and)
wastewater rates in Alachua, Brevard, DeSoto,)
Highlands, Lake, Lee, Marion, Orange,)
Palm Beach, Pasco, Polk, Putnam,)
Seminole, Sumter, Volusia, and Washington)
Counties by Aqua Utilities Florida, Inc.)
_____)

DOCKET NO. 100330-WS

Dated: April 5, 2011

**AQUA UTILITIES FLORIDA, INC.'S
RESPONSE TO CITIZENS' PRELIMINARY AREAS OF CONCERN**

Aqua Utilities Florida, Inc. ("AUF") appreciates the Office of Public Counsel ("OPC") filing its Preliminary Area of Concerns in this case. AUF respectfully responds as follows.¹

I. QUALITY OF SERVICE

OPC filed its Preliminary Areas of Concerns on March 24, 2011. In its filing, OPC claims that AUF's quality of service is unsatisfactory and the rate of return on equity should be reduced. AUF strongly disagrees. OPC's claims overlook that since May 22, 2009, the Commission and its Staff have closely monitored AUF's quality of service for all of AUF's systems that are part of this rate case. During that 22 month period, not once has the Commission or its Staff found that AUF's quality of service was unsatisfactory. To the contrary, in its recommendation dated March 4, 2010, Commission Staff found:

Based on staff's review of AUF's processes for handling customer complaints, meter reading, and customer billing, as well as its environmental compliance, staff recommends that AUF's performance as specified in the Monitoring Plan detailed in the Final Order is adequate.

Staff Recommendation, dated March 4, 2010 in Docket No. 080121-WS at p. 13.

¹ For ease of reference, AUF's response tracks the organizational structure of OPC's Preliminary Areas of Concern.

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Furthermore, when the Commission decided to continue to monitor AUF's quality of service through the end of 2010, it expressly found that " preliminary results show substantial improvement in AUF's customer service." Order No. PSC-10-0218-PAA-WS (emphasis added).

To support its claim of unsatisfactory service, OPC relies almost exclusively on customer comments made at the customer meetings which Staff conducted last fall as part of this proposed agency action ("PAA") proceeding. AUF respects the right of its customers to fully participate in this rate case, and takes the comments of its customers seriously. However, as the Commission recently recognized, making a service quality finding based primarily on customer comments is problematic, particularly when such commentary is elicited in the midst of a proceeding seeking to increase rates. See Order No. PSC-1--0297-PAA-WS ("After analyzing the responses, reviewing the customer comments, and talking to over 100 customers, it appeared that the survey did not accurately measure AUF's customer service performance. Rather it appeared that many customers were evaluating AUF's rates, not whether their specific concerns were appropriately addressed.")

Recently, on April 1, 2011, AUF's undersigned counsel received a 10 page "response" to AUF's Final Quality of Service Monitoring ("QSM") Report, which OPC filed in this case and in Docket No. 080121-WS on March 31 2011. Because OPC has overlooked key facts and distorted the objective data set forth in AUF's Final QSM Report, AUF will file a detailed reply to OPC's response in this proceeding. In the meantime, and for the record, AUF strongly disagrees with OPC's claims that AUF's quality of service is unsatisfactory and that its rate of return on equity should be reduced.

**II. RATE BASE
Pro Forma Plant**

OPC claims that many of the pro forma plant additions included in this rate case should be disallowed. AUF disagrees. OPC overlooks extensive pro forma plant information which AUF provided in response to OPC's discovery and Staff's data requests. See AUF's initial and supplemental responses to Staff's Second Data Request; AUF's Answers to OPC Interrogatory ("IROG") No. 7; and, documents produced by AUF in response to OPC's Request for Production of Documents ("POD") No. 12. The information provided by AUF included a detailed breakdown of each pro forma project that explained the necessity of each project, the projected total cost of each project, and the amount already expended and booked by AUF for each project.

The overwhelming majority of these pro forma projects:

- are required for environmental purposes;
- address customers' secondary water quality concerns;
- have either been completed and placed into service; or,
- are currently in the implementation phase

In AUF's Supplemental Response to Staff's Second Data Request No. 7, AUF provided uncontroverted documentation which supports over \$3 million in pro forma plant additions, and includes \$2,420,807 in actual invoices received and recorded on AUF's books. This documentation also includes \$585,482 in signed contracts/proposals for projects currently being designed, built, and/or installed. In addition, AUF provided its supporting project ledgers which reflect \$25,131 in AFUDC accruals. It should be made clear that these documented amounts above do not include the capitalized labor and overhead already booked by AUF. To further support the actual costs of the pro forma plant additions, AUF provided AC290 reports for each

project which detailed the invoices, capitalized labor, and, if applicable, AFUDC. In summary, AUF believes that it has fully supported its pro forma plant additions through its responses to discovery, specifically in the Seventh Supplemental Response to Staff Second Data Request No. 7.

In addition, AUF has provided OPC and Staff numerous updates on the status of each pro forma plant addition. As indicated in its Sixth Supplemental Response to Staff Data Request No. 2, dated February 28, 2011, AUF is no longer proposing the following projects:

- Park Manor – Wastewater I&I project
- Jasmine Lakes – Wastewater wier and walkway replacement
- South Seas – Wastewater Wet Weather storage

As further indicated in its Sixth Supplemental Response to Staff's Second Data Request, the following pro forma projects have been completed and placed into service:

Water:

- Ocala Oaks – Hydropneumatic Tank Replacement
- Rosalie Oaks – Hydropneumatic Tank Replacement
- Lake Gibson – Hydropneumatic Tank Replacement
- Piney Woods – Hydropneumatic Tank Replacement
- 48 Estates – Hydropneumatic Tank Replacement
- Ravenwood – Hydropneumatic Tank Replacement
- Silver Lakes / Western Shores – Water Chlorine conversion – Western Shores
- Silver Lakes / Western Shores – Water Chlorine conversion – Silver Lake Estates
- Skycrest – Water Well #1 pump replacement
- Tomoka / Twin Rivers – Water Chloramine Project

- Tomoka / Twin Rivers – Water main relocation
- The Woods – Hydropneumatic Tank Replacement
- Tangerine – Water Line Looping and Replacement
- Tangerine – Water Hardness Sequestering
- Zephyr Shores – Water Quality Project – Sequestering

Wastewater:

- Arredondo Farms – Wastewater Treatment Plant Upgrades (WWTF)
- Arredondo Farms – Wastewater Pond Rehabilitation (WWTF)
- Arredondo Farms – Wastewater Pond – Sinkhole Stabilization (WWTF)
- Jungle Den – Wastewater I&I project
- South Seas – Reject and Surge Tank Replacement – Reuse (WWTF)
- South Seas – WWTF upgrades – new diffusers (WWTF)
- Valencia Terrace – WWTF improvements
- The Woods – Wastewater Percolation Pond Rehabilitation
- Various – (3) Truck Replacements and retirements (Jasmine Lakes, Ocala Oaks, Village Water)

Several pro forma projects are either currently under construction, or are being designed for construction. Indeed, as shown in AUF's Sixth Supplemental Response to Staff's Second Data Request, AUF has supplied support documentation in the form of signed contracts, invoices for construction of plant, proposals, and bids for the following projects:

- Arredondo Farms – Hydropneumatic Tank Replacement – (tank construction completed)
- Sunny Hills – Connect Well #4 to plant #1 storage facilities – (construction permit received – preliminary design complete – final design in process)

- Sunny Hills – Additional Storage Facilities – (study complete – currently being designed)
- Breeze Hill – Wastewater I&I project – (bids received)
- Jasmine Lakes – Water generator – (quote received)
- Lake Suzy – Air Headers and Surge Tank – (currently under construction – waiting final invoices)
- Tomoka View / Twin Rivers – Storage Tank Liners – (original bids received – revised bid requested due to Volusia County slight delay)
- Lake Suzy – Fire Flow – (hydraulic analysis complete - currently in design)
- Lake Josephine / Sebring Lakes – Secondary Water Quality (AdEdge) – (signed contract – meeting held with DEP – treatment vessels being constructed – invoice submitted – contract on design work provided)
- Leisure Lakes - Secondary Water Quality (AdEdge) – (signed contract – meeting held with DEP – treatment vessels being constructed – invoice submitted – contract on design work provided)
- Village Water – Effluent Disposal – Disposal option identified pursuant to Consent Order – hydraulic analysis being performed – design contracts provided – working with landowner to execute contract – soil testing being completed)
- Peace River – Gross Alpha Treatment – Monitoring in process – Pilot project completed – design underway

To further support the above-listed projects, on March 18, 2011, AUF supplied its Seventh Supplemental Response to Staff Second Data Request No. 7. In preparing its response to OPC's Preliminary Area of Concerns, AUF discovered that it needed to make four revisions to the attachment to its Seventh Supplemental Response:

- a) For Arredondo Estates – HTP replacement – the amount of \$52,335 was inadvertently inputted as a text instead of a value. Therefore, this amount was not included in the total sum of the column.
- b) For Breeze Hill – the bid in the amount of \$75,812 was not included in the Bid/Proposal column.
- c) For Lake Gibson Estates – WWTF lift station #2 replacement – the amount of \$6,219 was previously included in plant in service in the MFRs. This has been removed.
- d) For Admin IT Projects – the total Florida amount was included. AUF has revised this amount to only reflect the allocated jurisdictional amount.

To reflect these revisions, attached as Exhibit “A” is an updated Pro Forma Plant Rate Case Documentation spreadsheet which revises the previously submitted attachment to its Seventh Supplemental Response to Staff Second Data Request No. 7. Furthermore, the appropriate Deferred Taxes discussed in the “Capital Structure” section of this response have been calculated using these revisions.

OPC’s filing includes tables with recommended adjustments to pro forma plant by Rate Group. AUF responds to OPC’s recommended adjustments as follows:

Water Rate Group 1 – AUF agrees to all of OPC’s adjustments, with one exception. Contrary to OPC’s claims, the Jasmine Lakes – Disinfection Contact Time Project is moving forward. In response to Staff’s Second Data Request, AUF supplied a signed agreement in the amount of \$9,250 for this project.

Water Rate Group 2 – AUF agrees to OPC’s adjustments for Lake Gibson Estates and Piney Woods. However, AUF does not agree with the proposed adjustments for the Sunny Hills projects. The Sunny Hills connection project is required by a DEP consent order. This project is

currently being designed and it is expected to be completed by April 2011. The Sunny Hills additional storage project is also required by a DEP consent order. The study has been completed and the project is currently being designed. AUF expects that this project will be completed in June 2011. AUF is in compliance with all terms and timelines in the referenced consent order. See AUF's responses to Staff Second Data Request No. 7.

Water Rate Group 3 - AUF agrees to OPC's adjustment to Water Rate Group 3.

Water Rate Group 4 – AUF agrees to OPC's adjustments in its table with the exception of: Lake Suzy, Lake Josephine / Sebring, and Leisure Lakes. For those projects, AUF has submitted invoices supporting all costs incurred to date in response to Staff Second Data Request No. 7. Also in its responses to Staff Second Data Request, AUF has supplied signed contracts for the Highlands County systems of Lake Josephine / Sebring, and Leisure Lakes. These are essential components to AUF's Secondary Water Quality Project designed to resolve customers concerns regarding the removal of hydrogen sulfides. Attached as Exhibit "B" is the current construction schedule for these treatment systems. This schedule clearly shows that the systems will be installed by April 11, 2011 and operational and in service by April 20, 2011. AUF has also attached as Exhibit "C" additional invoices to support these projects. For the Tomoka / Twin Rivers tank lining project, AUF has submitted the signed proposal for this project in its responses to Staff Second Data Request No. 7. This project is a direct result of a Volusia County Department of Health (VCHD) letter. The need for the project is prompted by the age and condition of the tank.

Wastewater Rate Group 2 – AUF agrees to the adjustments in OPC's table for this rate group. However, there are two additional projects completed and in service for the Arredondo Farms wastewater treatment facilities. These projects were required to rehabilitate a percolation pond

and stabilize a sink hole. The supporting invoices for these two additional projects have been submitted in AUF's responses to Staff Second Data Request No. 7.

Wastewater Rate Group 3 – AUF does not agree with OPC's recommended adjustments. The Jungle Den wastewater project was needed to investigate and resolve I&I in the collection system. This project has been completed. AUF performed most of the work with the assistance of the Florida Rural Water Association and with the outside contractor, Utility Technicians. There was a cost savings to the utility and the project was completed at the total actual cost of \$12,263, instead of the projected cost of \$60,000. AUF submitted invoices of outside contractors in the amount of \$11,900. The additional amount was for capitalized labor. See AUF's responses to Staff's Second Data Request No. 7. Contrary to OPC's claims, these capitalized costs are not recovered "elsewhere" in the filing.

For the Rosalie Oaks lift station relocation, AUF supplied additional information on this project on February 21, 2011, in its response to Staff's Twentieth Data Request. This project was needed because of a new property owner no longer allowing access to the utility's lift station located on his property.

Wastewater Rate Group 4 – AUF does not agree with OPC's proposed adjustments to the Village Water effluent disposal project. The project is required by a DEP consent order. AUF has worked diligently to identify this disposal alternative, which will provide substantial cost savings to its customers. The project is in the design and permit stage. AUF has performed the necessary soil boring tests, and is currently performing the hydraulic analysis. AUF expects that this project will be completed and in service by the end of May 2011. The total cost of this project is expected to be \$250,000. See AUF's responses to Staff Second Data Request No. 7.

“Other Rate Bands” – OPC has also recommended an adjustment to remove the wastewater pro forma item for the Breeze Hill – wastewater I&I study. AUF disagrees. The Breeze Hill wastewater project was necessary to investigate and resolve I&I in the collection system. AUF previously submitted a proposal from Williams Testing, LLC in the amount of \$75,812. As of January 31, 2011, AUF had expended \$10,304. This project was completed on March 18, 2011. Attached as Exhibit “D” is an invoice for the project in the amount of \$64,755. Thus, to date, AUF has expended \$75,059 on the project, not including all capitalized labor.

AUF also disagrees with OPC recommendation that the Peace River Gross Alpha project be eliminated. This project is required by DEP to address a Radium 226 issue. The pilot test project has been completed and the ion exchange treatment system is currently in design. To date, AUF has provided invoices totaling \$8,308 for the project. See AUF’s responses to Staff’s Second Data Request No. 7. As of April 1, 2011, the results of AUF’s monitoring require that the ion exchange treatment system be constructed and installed pursuant to the following schedule. AUF is required to submit an application to DEP within the next 60 days. Once DEP issues the permit, the certification of completion must be submitted within 180 days.

Retirements – AUF agrees that the pro forma plant items are offset by \$369,045 in retirements. Information supporting these retirement amounts previously has been provided in Exhibit B in AUF’s Application filed on September 1, 2010. On January 14, 2011, AUF provided additional information regarding the retirement amounts in its response to Staff’s Eleventh Data Request.

III. USED AND USEFUL

In its filing, OPC seeks to reinvent the wheel by suggesting that the Commission ignore the used and useful methodologies and resulting percentages that were previously determined by the Commission in AUF’s last rate case. Not only does OPC’s approach ignore legal precedent, it

would unnecessarily increase rate case expense. AUF is sensitive to the rate case expense, which is ultimately passed onto ratepayers. In order to minimize rate case expense, AUF made every possible effort to follow the Commission's approved used and useful methodologies previously adjudicated in the last rate case.

AUF has addressed each of OPC's used and useful concerns below:

Palm Port – The DEP permitted capacity for the WWTP is 15,000 GPD as demonstrated in the permit previously provided as part of the MFRs. Pursuant to Rule 25-30.432, Florida Administrative Code (“FAC”), the wastewater used and useful calculation shall be based on the most recent operating permit issued by the DEP. Thus, the DEP permitted capacity must be used in the denominator of the used and useful equation. AUF provided this calculation on December 8, 2010, in response to Staff Sixth Data Request.

Breeze Hill – At the time AUF purchased these system, the Commission did not have an approved used and useful rule for water systems. Subsequent to the purchase, the Commission adopted a water used and useful rule that specifically states that consideration should be given for systems which are built out. See Rule 25-30.4325(4), FAC. Because the Breeze Hill water and wastewater systems are both built out, each should be considered 100% used and useful. This is consistent with the Commission's previous findings in AUF's last rate case concerning built out systems. See Order No. PSC-09-0385-FOF-WS, pages 33 – 37.

Zephyr Shores – OPC claims that AUF failed to consider the recently installed second water well in its used and useful calculation for the water treatment system. This is incorrect. AUF specifically considered the addition of the second well. AUF also relied on the Commission's recently approved rule, Rule 25-30.4325(6), FAC, concerning water treatment plant used and useful calculations. That rule specifically provides that in determining the appropriate used and

useful calculation for a water treatment system, the largest well should be removed. Thus, when AUF calculated its proposed used and useful, it appropriately removed the largest well. This approach is consistent with the Commission's previous decision in Docket No. 080121-WS. See Order No. PSC-09-0385-FOF-WS.

It should also be noted that AUF provided this additional information concerning the second well in its response to Staff's Sixth Data Request.

Peace River – OPC argues that AUF recently purchased this system and should have considered the used and useful calculation during the due diligence review. OPC is misinformed. AUF purchased this system in 2003 as part of the majority stock transfer from Aqua Source. The system is extremely small. At the time of stock purchase, the Commission did not have a used and useful rule for water systems. Subsequent to the purchase, the Commission adopted a water used and useful rule that specifically states that consideration should be given for systems which are built out. Rule 25-30.4325(4), FAC. The Peace River water and wastewater systems are built out with no possibility of expansion. In fact, these systems have experienced a decline of customers from approximately 105 customers to the current 85 customers. To be consistent with Rule 25-30.4325(2), FAC, this decline in customers also should be taken into consideration when determining the appropriate used and useful percentage. This approach is consistent with the Commission's previous findings concerning built-out systems in AUF's last rate case. See Order No. PSC-09-0385-FOF-WS, pages 33 – 37.

Fairways – OPC argues that AUF recently purchased this system and should have considered the used and useful calculation during its due diligence review. Again, OPC is misinformed. At the time of purchase, the Commission did not have an approved used and useful rule for water systems. Subsequent to the purchase, the Commission adopted a water used and useful rule that

specifically states that consideration should be given for systems which are built out. See Rule 25-30.4325(4), FAC. The Fairways water and wastewater systems are both built out, thus each should be considered 100% used and useful under the Commission's existing rules. This approach is consistent with the Commission's previous findings concerning built-out systems in AUF's last rate case. See Order No. PSC-09-0385-FOF-WS at pages 33 – 37.

IV. WORKING CAPITAL

A. Materials and Supplies

At the outset, it should be noted that AUF calculated Working Capital in accordance with the methodology used and approved in its last rate case. OPC's listed concerns involving the Materials and Supplies overlook key facts. AUF did complete its RF meter replacements for the PSC jurisdictional systems in 2008. However, during 2010, AUF was actively replacing RF meters in its Sarasota County system. The RF meter replacement in Sarasota is now complete. As indicated in AUF's response to Staff's additional questions at the end of this response, the average balance of Materials and Supplies for the period March 2007 through February 2011 is \$371,125.

B. Accrued Taxes

AUF is reviewing this issue and reserves the right to respond.

V. CAPITAL STRUCTURE

OPC's Preliminary Areas of Concerns was filed prior to AUF serving its answers to OPC IROGs Nos. 179 and 180. Answers to those IROGs address all of the issues outlined in OPC concerns regarding deferred taxes, and set forth a comprehensive calculation that includes both the impacts of pro forma adjustments and bonus depreciation. In that respect, the answers supplement and update any previous discovery responses to OPC and the Commission Staff

regarding pro forma projects and depreciation. In addition, OPC is wrong to suggest that, in calculating capital structure, bonus depreciation associated with pro forma additions should be directly assigned to the rate bands which include the pro forma projects. That approach would be inconsistent with the methodology approved by the Commission in AUF's last rate case.

VI. NET OPERATING INCOME

A. Revenue

OPC claims that the Commission should take into consideration any variations in the weather, specifically rainfall, in determining the revenue and/or billing determinants. AUF disagrees for several reasons. First, AUF respectfully submits that OPC has provided no substantive information showing that rainfall levels were high during the historic test year. Second, even if substantive rainfall information had been provided, the Commission has previously rejected OPC's contention that weather itself would impact consumption:

We are not persuaded that there is a direct correlation between rainfall and consumption. The weather normalizing method advocated by Ms. Dismukes compared the average rainfall in SSU's service areas during the 1991-1994 period to the average rainfall in the service areas during the 1960-1990 period. The four-year average rainfall in the service areas during 1991-1994 was approximately 14.85 percent greater than the average for the period 1960-1990. The average rainfall factor was apparently applied to SSU's calculated average consumption per bill for the service areas resulting in "normalized" consumption per bill. This method implicitly assumed that the reduced consumption levels were related entirely and directly to reduced outdoor water needs from the increased rainfall. We do not agree with this implicit assumption... There are numerous other factors affecting fluctuations in consumption in addition to weather, e.g., the price changes caused by the 1992 rate case."

Order No. PSC-96-1320-FOF-WS at page 129. Third, AUF has actually experienced a further decline in consumption subsequent to the filing of the rate case in October 2010. Indeed, the attached Exhibit "E", titled "Average Consumption by Customer," demonstrates that from 2009 to 2010, the average residential consumption has declined by 16.13%. From 2010 through

February 2011, the average residential consumption for the AUF systems in the rate case declined by an additional 9.20%. On an annual basis, total consumption has further declined by 42.4 million gallons or by 4.3%.

AUF has also experienced a decline in customers. From 2009 to 2010, the number of residential customers has declined by .75%. Subsequently, from 2010 through February 2011, the number of residential customers for the AUF systems in the rate case has declined by an additional .41%.

Finally, OPC erroneously claims that the AUF budget indicates that test year consumption is understated. OPC fails to recognize two important facts. First, in budgeting revenues, AUF conservatively assumed that there would be a reasonable increase in interim and final rates resulting from the current case. Second, the budgeted revenue amounts actually included a further decline in consumption and not an increase.

B. Non-Utility Revenue

OPC erroneously claims that there is a substantial amount of non-utility revenues being allocated to AUF from its parent company. This simply is not true. OPC mischaracterizes AUF's responses to OPC's discovery. As AUF stated in its answer to OPC's IROG No. 42, "Non-Utility income recorded on Aqua America, Inc. books was not transferred to regulated entities and there treated below the line. Non-Utility Income recorded by Aqua America, Inc. has no relevance to AUF operations." Furthermore, Non-Utility Income was previously decided in Order No. PSC-09-0385-FOF-WS, Docket No. 080121-WS, as follows:

1. Non-Utility Income

AUF witness Szczygiel stated that the marketing agreement with Home Services USA Corporation only applied to Pennsylvania customers. Additionally, witness Szczygiel stated there were no benefits derived from using any of AUF's customer lists in Florida, because Florida customer lists were not given to Home

Services. OPC witness Dismukes agreed with witness Szczygiel that if the expenses were recorded below-the-line, then the revenue should be recorded below-the-line as well. The amount applicable to the AUF operations is \$9,627. Based on the record, we note that OPC and AUF agree on this issue, and we find that the revenues and expenses are properly recorded below-the-line.

C. Excessive Other Water Usage

OPC contends that AUF's inclusion of other water usage is excessive in the test year. AUF previously addressed and provided supporting justification for Other Water Usage in its response to Staff First Data Request dated November 24, 2010. As indicated therein, other uses of water are divided into five (5) categories:

The five water use categories are as follows:

On Site Use: This is water utilized for Company purposes at the Water plant, wastewater plant, and Wastewater lift stations. Where applicable, there are meters that are read at these locations and accounted for each month. Where meters do not exist, flows are estimated based on typical daily use for analyzers, sampling, and wash down purposes.

Flushing Estimates: Flushing Estimates are based on AWWA Standards for determining water used through a given discharge nozzle size. The Flushing guide is used based on size, pressure, and duration to determine the amount which is flushed for cleaning and chlorine residual control purposes. Where there are flow meters on smaller flush points, these readings are recorded monthly for actual instead of estimated data.

Line Breaks: Line breaks are determined by known length of time that the leak occurred. These volumes are estimated because direct associated meters are not available during line break situations. AWWA Standards are applied when determining the estimates.

Fire Use: When and where a Fire occurs, staff is informed of the duration and approximate use by the local fire department or from first hand observation. Where an exercise is being performed, this is planned and gallons are tracked through duration of use.

Other: This category covers instances that are out of the normal use pattern as defined in the previous categories. Reviewing the records, it is rarely used and should be accompanied by a description on the monthly information submitted by the field personnel.

Water use for each of the categories is monitored and recorded by field personnel each month and entered into the Water Loss Report in the respective categories.

OPC fails to consider that the majority of this other usage is directly related to flushing programs implemented by AUF to address secondary water quality issues identified by customers. OPC was an active participant in the Joint Secondary Water Task Force established in Docket No. 080121-WS and is fully aware that AUF has addressed many of the customers' issues involving secondary water standards by implementing flushing programs throughout the various systems. OPC identifies the Highland County systems [Lake Josephine, Sebring, Leisure Lakes] for adjustment. These systems are part of the Secondary Water Quality Project. On November 24, 2010, AUF submitted its response to Staff's First Data Request for the Highland County systems as follows:

Lake Josephine:

As previously reported, this system has high sulfur content which requires continued flushing to maintain the water quality and keep the sulfur bacteria in check. As part of AUF's secondary water quality project, we have proposed pro-forma plant to install an Adage filtering system that will remove the sulfur. AUF is currently working on the design and installation of this filtering system, which when operational, will reduce the need to flush as much. However, there will be a corresponding reduction in the amount of water produced from the well. Thus, the reduction will occur in the water produced and the other company usage. After this filtering system is operational in the first quarter of 2010, AUF will still perform its annual directional flushing for maintaining water quality in the mains, as well as cleaning of the mains.

Leisure Lakes

As previously reported this system has high sulfur content which requires continued flushing to maintain the water quality and keep the sulfur bacteria in check. As part of AUF's secondary water quality project, we have proposed pro-forma plant to install an Adage filtering system that will remove the sulfur. AUF is currently working on getting this filtering system designed and installed. This system will reduce the necessity to flush as much. However, there will be a corresponding reduction in the amount of water produced from the well. Thus, the reduction will occur in the water produced and the other company usage. After this filtering system is operational in the first quarter of 2010, AUF will still perform its annual directional flushing for maintaining water quality in the mains, as well as cleaning of the mains.

Sulfur in the Leisure Lakes water system has been an ongoing concern prior to AUF acquiring the system. As noted by the Commission in Order No. 96-1320-FOF-WS, flushing is a component of the solution:

f. Customer Education Regarding Line Flushing

From the testimony of the customers in Highlands County, it appears that increased line flushing may improve water quality. Many customers of SSU facilities throughout the state have similar concerns over water quality, particularly those who receive water service on a seasonal basis. Education of all customers regarding in-house flushing may help alleviate many of these concerns. Therefore, SSU shall provide all of its customers with information regarding in-house flushing, preferably in the fall, when many of the seasonal customers return to Florida.

(Emphasis added.) It also should be noted that AUF representatives met with the Leisure Lakes homeowner's association in April 2009 to discuss aesthetic water quality issues. At that time, AUF developed a flushing plan that continues to this day. AUF's flushing plan, combined with the new Adedge filtering system, demonstrates that AUF is committed to enhancing the quality of water for its Highlands County customers.

OPC also lists the Sunny Hills and The Woods systems for adjustment. AUF disagrees. On November 24, 2010, AUF submitted its response to Staff First Data Request, addressing these two systems as follows:

Sunny Hills

This system was designed and built by a previous developer for a much denser and more populated community. The lines are very large and require considerable flushing to maintain water quality. Another challenge with this system is that it is located on a high sandy ridge with very porous ground. Thus, although AUF can surmise there is a leak by trending normal water production, it is often difficult to locate leaks because of the porosity.

The Woods

The brunt of the water loss occurred over a 2 month period at the end of the Test Year. AUF had to flush 805,000 gallons during the month of March and 967,000 gallons during

the month of April in order to perform an emergency replacement of a hydropneumatic tank. In addition, this system requires considerable On-Site Use. Each month the CL-17 chlorine analyzer uses approximately 10,000 gallons, and the Company is required to backwash a filter every other day using approximately 3,500 gallons. Furthermore, AUF has auto flushers to accommodate dead end mains. One section of this system is a "snowbird" section and requires greater flushing during the summer months to maintain water quality. AUF will also need to perform our annual directional flushing for cleaning of the mains. **If an adjustment is made, it should be noted that it would also affect the amount of water produced from the wells.** (emphasis added.)

In addition, on December 8, 2010, AUF provided a revised corrected calculation for The Woods water system in its response to Staff's Sixth Data Request.

D. Excessive I&I

OPC has suggested adjustments based on alleged "excessive flows" at the following systems: Breeze Hill, Jungle Den and Park Manor/Interlachen Lake. AUF does not agree for the reasons set forth below:

Breeze Hill Wastewater System - AUF is currently working on an I&I project to reline the wastewater lines and reduce the I&I in this system. In determining whether adjustments should be made for excessive I&I, the Commission has historically considered whether a utility is actively addressing the I&I through any projects. Where an utility actively undertakes a project to address I&I, the Commission typically allows for recovery of the project and does not make adjustments to expenses. Thus, it is perplexing that OPC would recommend the disallowance of the project to address and correct the I&I situation, and also would recommend an adjustment to expenses.

Jungle Den Wastewater System - AUF has completed the I&I project and has included this as a pro forma item. For the same reasons set forth above for the Breeze Hill wastewater system, AUF is perplexed that OPC would recommend that this I&I project be disallowed and that expenses be adjusted.

Park Manor/Interlachen Lake Wastewater System - As shown in the information in AUF's MFRs, there was an abnormally high level of treated wastewater at Park Manor during the test year. On March 17, 2011, AUF supplied information concerning this phenomenon in response to a question from Staff. AUF explained that during the test year, there was a major county project in this service area which involved a road widening along Highway 20, and the installation of a new storm water drainage system. During this project, the county's storm water drainage system was compromised which resulted in standing water throughout the service area. The county's project lasted several months. After the county completed the new storm water drainage system, the level of wastewater treated has returned to a normal level. AUF believes that the construction of this project caused an unusually high level of I&I to enter the Park Manor wastewater treatment collection system. In its response to a Staff question, on March 17, 2011, AUF provided additional information for the subsequent period which shows that the treated wastewater for Park Manor has returned to normal levels following the completion of the county's storm water drainage project.

E. Salaries and Wages – Wage Increases

OPC's recommended salary reductions fails to recognize that it is important for a utility to retain well-trained and effective employees. The recommended reductions also ignores AUF's good faith efforts to provide and improve its quality of service to customers. AUF's efforts to ensure the competitiveness of its employee compensation structure is consistent with past Commission decisions concerning market based wage increases. In fact, the Commission has affirmed that retention of well trained employees is crucial "We find that the Company has taken appropriate action to assure that its employee salaries are on the same level as other utility employees so that the Company will be competitive in hiring and retaining well trained and

effective employees.” See Order No. PSC-08-0327-FOF-E ; see also Order No. PSC-02-0787-FOF-EI. Furthermore, the Commission has expressly recognized that a utility like AUF” should be entitled to give its employees a cost of living increase.” See Order No. PSC-09-0385-FOF-WS.

F. Salaries and Wages- Net Terminations and New Hires

OPC claims that the adjustment for net terminations and new hires should not be considered. However, OPC fails to acknowledge the information provided by AUF in response to OPC’s Interrogatory No. 10. There AUF made it clear that in conjunction with its replacement of RF meters, the Company implemented a cost savings initiative to consolidate the field operations and employees. Through this initiative AUF eliminated the “maintenance” field employees, which s resulted in the shedding of four employees. The reduction in costs is evidenced by the reduction in salary expense from the test year in the last rate case, 2007 and the current rate case. However, AUF respectfully submits that a normalization adjustment is needed in order to recognize the hiring of operators, an area supervisor, and an replacement of a state customer service assistant due to the death of an AUF employee. AUF believes that these new hires should be recognized to assure the quality of service provided to its customers and to avoid the need for a future rate case to recover these costs.

G. Purchased Power

OPC indicated it had not completed its analysis of purchased power. AUF reserves its right to respond to any subsequent submittals.

H. Sludge Hauling – Optimization Process

OPC erroneously contends that an adjustment should be made to sludge hauling to reflect an amount budgeted by AUF. In Section F of it Preliminary Areas of Concern, OPC contends that

historic test year amounts must be used with adjustments for known and measurable changes. It appears that OPC now contends that, where it works to its advantage, the budgeted amount Sludge Hauling should control without regard to known and measurable changes. OPC cannot have it both ways. AUF agrees that the purpose of a historic test year is to set a level of expenses that would be representative of prospective costs. These historic amounts are then audited and fully supported by actual documents. AUF does not believe that certain budget items should be considered if it provides an advantage to either OPC or the utility.

I. Sludge Hauling – Budget

For the reasons set forth in Section H above, OPC is wrong in contending that an adjustment should be made to sludge hauling expenses to reflect an amount budgeted by AUF for 2010.

J. Materials and Supplies

Again, for reasons set forth in Section H. above, OPC is wrong in contending that an adjustment should be made to materials and supplies to reflect a budgeted amount by AUF.

K. Contractual Services – Accounting

AUF agrees that certain non-recurring accounting services occurred during the test year due to an internal audit. However, AUF does not believe this amount should be completely eliminated. Instead, this amount should be considered as a non-recurring expense and amortized over a 5 year period consistent with Rule 25-30.433(8), FAC.

OPC also contends that costs related to Sarbanes Oxley were removed from the 2010 budget and thus should be eliminated. The reason this line item no longer appears in the 2010 budget is due to the way these costs are now allocated to AUF. Previously, these costs were included as a direct line item charge to AUF. Beginning in the year 2010, these costs are

included in the allocation of the corporate management fees. Thus, these charges will continue to be included in the allocations.

L. Contractual Services Legal

1. Environmental Matters:

OPC erroneously contends that legal expenses related to environmental issues should not be recovered from ratepayers. OPC overlooks the fact that such legal expenses are appropriate operating expenses for all regulated utilities, and that the Commission has previously included those legal costs as a legitimate test year expense. For example, in Order No. PSC-93-0423-FOF-WS, the Commission specifically found:

Test Year Legal Expenses

DER/EPA Fines

OPC witness Dismukes testified that legal fees associated with SSU's defending itself against DER fines and violations should be disallowed since the fines themselves are nonrecoverable. On cross-examination, however, Ms. Dismukes acknowledged that if the utility defends itself against DER action, the customers would benefit if rate base were lower because the utility did not have to make improvements. In its brief, OPC argues that these defense efforts accrue directly to the benefit of the stockholders just as the utility's avoidance of a fine does.

Utility witness Ludsen testified that not allowing SSU to recover expenses incurred in defending itself against the various regulatory entities would deny SSU a legitimately incurred cost of operating its systems. He further testified that knowledge of how DER operates is critical to the Commission's determination of the merit of this adjustment.

We believe that the evidence supports the contention that ratepayers benefit from the utility's defending itself in regulatory proceedings. If the utility succeeds in its efforts, rate base or other expenses may be lower. We, therefore, find it appropriate to allow the utility to recover legal fees associated with DER/EPA violations or fines.

Order No. PSC-93-0423-FOF-WS. Moreover, the Commission has consistently recognized that a utility has an express right and obligation to defend itself against lawsuits. See Order No. PSC-93-0423-FOF-WS.

2. General Regulatory Matters

AUF has supplied ample supporting documentation that verifies that the legal expenses incurred for “General Regulatory Matters” are prudent, necessary, and are not unreasonable. These costs reflect the level of expense necessary on an on-going basis to adequately address regulatory matters associated with the 87 systems included in this rate case. AUF continues to review these expenses and will provide updates if appropriate.

3. Lake Yale Acquisition Cost

Because this acquisition was discontinued, AUF agrees that legal expenses incurred for this particular acquisition should be removed for ratemaking treatment.

4. American Environmental Container

AUF agrees that this expense is non-recurring. However, AUF does not believe this amount should be completely eliminated. Instead, it should be considered a non-recurring expense and amortized over a 5 year period consistent with Rule 25-30.433(8), FAC.

5. Six Month Monitoring

OPC also alleges that any legal expenses related to the six month monitoring should be disallowed. OPC implies that these legal expenses were incurred due to AUF’s quality of service being unsatisfactory. This simply is not true. First, these legal expenses were necessary due to a monitoring ordered and required by the Commission--a governmental agency. Second, Commission Staff has never found that AUF's quality of service was unsatisfactory for the systems subject to this rate case. As explained at the outset, in March of last year, after

conducting a thorough and detailed analysis of AUF's quality of service, the Staff found AUF's service quality to be "adequate". Likewise, when the Commission decided to continue to monitor AUF's quality of service through the end of 2010, it expressly found that " preliminary results show substantial improvement in AUF's customer service." Order No. PSC-10-0218-PAA-WS dated April 6, 2010 (emphasis added). In so ruling, the Commission acknowledged that its Initial Monitoring Plan had imposed substantial costs on AUF and required many hours of both utility staff and Commission Staff time. The Commission further directed Staff to continue to monitor AUF's customer service through the end of 2010 on a more limited basis and ordered AUF to collaborate with the OPC and other parties to develop a cost-effective, efficient, and meaningful monitoring plan. AUF has complied in all respects with the Commission's directives and respectfully submits that legal expenses incurred through this process should be allowed.

6. Rate Case and Regulatory Matters

AUF disagrees with OPC's recommendation to disallow these expenses. However, AUF would agree that if the Commission Staff believes these costs are related to the rate case, this amount should be added to and included as part of rate case expense in this docket and amortized over a 4-year period.

M. Contractual Services – Management Fees

OPC erroneously contends that AUF's allocated management fees place "an excessive burden on the Florida ratepayers." It should be made clear that the allocated costs from AUF's parent company totals \$49 a year per customer. This includes customer billing, customer collection, customer service, engineering, legal fees, management, computer service (IT), etc.

In Florida, the standard by which affiliated charges are reviewed is “whether those transactions exceed the going market rate or are otherwise inherently unfair.” *GTE Florida, Inc. v. Deason*, 642 So. 2d 545, 548 (Fla. 1994). In its response to Staff’s Second Data Request No. 24, AUF provided overwhelming evidence that its affiliate transactions are below the market rate and are provided at a fair and reasonable costs. This response, which was filed on January 3, 2011, provides an in-depth analysis which clearly shows that having centralized services provided by Aqua America is beneficial to AUF’s customers. Moreover, the analysis demonstrates that these services have been, and continue to be, provided to AUF at a lower cost than it would incur to obtain these services from outside, non-affiliated sources.

As in the last rate case, OPC does not take issue with the methodology whereby the Service Company's costs are allocated to AUF, nor does OPC address the reasonableness and the necessity of specific affiliated charges. Furthermore, OPC does not propose any adjustments to specific affiliated charges. In fact, OPC does not really address the reasonableness and the necessity of specific charges allocated by the Service Company to AUF. Instead, OPC suggests adjustments to affiliated charges based on a shallow comparative analysis of Class C Florida water utilities. OPC makes no showing that the comparison group has system costs, system designs, service territories, customer demographics, or any other operating characteristics that are similar to AUF.

Furthermore, OPC’s claims that the Service Company has not produced cost savings to customers rings hollow. To put this into perspective, several of AUF’s smaller systems have customers ranging from 28 to 67 customers. Based on the allocated management fees OF \$43.17 for the services provided, the actual allocated cost would be between \$1,209 to \$2,892 annually. These are relatively small amounts for the services provided. If operated as a standalone

company, AUF would have to hire and retain additional employees and/or outside contractors to provide the many services now being provided by the Service Company. AUF respectfully submits that it would be impossible for small Class C utilities to hire inside attorneys, engineers, customer service representatives, customer billing, and customer collections at these amounts.

N. Allocation Methodology for Newly Acquired Systems

As previously addressed in AUF's response to Staff's Seventeenth Data Request, acquisitions of customers in 2010 represent 0.6831% of total customers, resulting in a de minimis change to the corporate allocation factor. Furthermore, it would be improper ratemaking to include any additional customers from acquisitions that occurred subsequent to the test year without recognizing that those additional customers would impose additional costs on the utility.

O. Contractual Services – Management Fees (Information Services)

Again, OPC erroneously contends that an adjustment should be made to Contractual Services – Management Fees for Information Services to reflect an amount budgeted by AUF. In Section F of OPC's Preliminary Areas of Concern, OPC asserts that historic test year amounts must be used with adjustments for known and measurable changes. But here OPC contends that, where it works to its advantage, the budgeted amount for information services should control without regard to known and measurable changes. OPC cannot have it both ways. AUF agrees that the purpose of a historic test year is to set a level of expenses that would be representative of prospective costs. These historic amounts are then audited and fully supported by actual documents. AUF does not believe that certain budget items should be considered if it provides an advantage to either OPC or the utility.

P. Contractual Services – Other

AUF has previously stated that it concurs with this adjustment. In its response to Staff's Twenty-First Data Request, AUF provided the amount which was inadvertently included in the MFRs.

Q. Bad Debt Expense

The Commission has previously determined that the appropriate Bad Debt Expense for ratemaking purposes should be based on a three or four year average. See Order No. PSC-09-0385-FOF-WS (“It is our practice to use a three-year or four-year average to test the reasonableness of a utility’s bad debt expense for ratemaking purposes.”).

R. Rate Case Expense

OPC contends that AUF’s rate case expense is overstated. AUF disagrees. In its initial MFRs, AUF proposed a rate case expense amount of \$670,269 using the PAA procedure. This is in contrast to the amount approved by the Commission in Docket No. 080121-WS, using the formal hearing process. See Order No. PSC-09-0385-FOF-WS wherein the Commission granted rate case expense in the amount of \$1,501,609. On March 5, 2011 in response to Staff’s Twenty-Second Data Request, AUF provided an updated amount of rate case expense of \$885,865. This increase in rate case expense is directly related to the discovery by OPC. AUF advised the Commission of this rate case expense issue when it objected to OPC's motion to expand the discovery parameters beyond the limits provided by the Florida Rules of Civil Procedure. Moreover, the Commission previously recognized that OPC's efforts to expand the number of interrogatories to AUF “**will almost certainly increase the rate case expense.** However, OPC is charged with representing the citizens of the State of Florida, and states that it may need this amount of discovery to do so.” Order No. PSC-08-0536-PCO-WS (emphasis added).

AUF believes the revised rate case expense submitted on March 5, 2011 accurately states the rate case expense which will be expended to process its PAA rate case due to the volume of discovery propounded by the OPC.

S. Miscellaneous Expense – Public Relations

OPC contends that the test year expenses related to the Aqua Connects meetings should be disallowed. AUF agrees that the Commission has previously disallowed the Aqua Connects expenses. As indicated in AUF's response to OPC IROG No. 80, there are no such costs or related expenses included in the test year in the current filing. No further Aqua Connects have been held, planned or are anticipated. Also, as indicated in AUF's response to OPC Interrogatory No. 79, there were no Aqua Connects held in either 2009 or 2010.

T. Miscellaneous Expense – Fines and Penalties

AUF agrees that, consistent with Commission practice, fines and penalties should not be included for ratemaking purposes. In its response to Staff Twenty-First Data Request, AUF provided the amount of fines and penalties included in the test year expenses.

U. Depreciation Expense

Allocated Administrative Assets – Computers – OPC erroneously alleges that the amount of allocated depreciation from computer equipment is excessive. This is not true. The allocation of computer depreciation expense contained in Docket No. 100330-WS is consistent with the method approved in Order No. PSC-08-0534-FOF-WS in Docket No. 080121-WS. Depreciation expense on computers is calculated using a service life of 6 years, in compliance with Rule 25.30.140, FAC. In addition, the allocation of computer depreciation expense was audited by the Commission's Staff.

Breeze Hill - The depreciation expense is appropriately calculated consistent with Rule 25-30.140, FAC. AUF's response to OPC IROG No. 134 stated, "The depreciation expense adjustments shown in the Breeze Hill Schedule B-13 used a cumulative three year rate to record the catch up of the accumulated depreciation balance retroactive to December 31, 2006 for the transfer to AUF." AUF provided additional documents supporting this depreciation expense in response to Staff's audit.

V. Income Tax

As explained in AUF's response to OPC IROG No. 181, AUF does not qualify for the Domestic Production Activities Deduction. OPC's assertions are inaccurate. However, it should be noted that OPC had not received AUF's response to this Interrogatory at the time it submitted its Area of Preliminary Concerns.

IV. ADDITIONAL QUESTIONS PRESENTED BY COMMISSION STAFF

On Thursday, March 31, 2011, Staff advised AUF and the parties that it had 7 questions which it requested that AUF address when it filed the response to OPC's Preliminary Areas of Concerns.

AUF has addressed each of the Commission Staff's questions below.

Question 1: What plans does AUF have for replacing Well No. 2 at Peace River Heights due to taking this well out of service in December 2009 and its subsequent abandonment? If AUF does not plan to replace the well, please provide the ledger entries reflecting the retirement of Well No. 2 at Peace River Heights.

Response: The Peace River Well No. 2 was properly abandoned last year. AUF is not required to replace the well by FDEP or any other relevant agency. Therefore, AUF currently does not have plans to do so.

The reasons why AUF has not recorded the retirement of this well on its books are as follows. When the assets were recorded on AUF's books at the time of acquisition, there were no specific amounts recorded for wells in Account 307. There was an amount of \$9,698 recorded as "Other Tangible Property." This amount may have included the amounts for the two wells, as well as other property. The book value, net of accumulated depreciation, is \$3,879. AUF is reviewing this account and will determine if a portion should be retired by reducing the plant account and accumulated depreciation.

Question 2: The Silver Lake Oaks wastewater permit expired on January 5, 2011. The capacity in the prior permit was 12,000 gpd. Has the permit been renewed and was there any changes in the treatment capacity of the system?

Response: Yes, the permit has been renewed. The capacity remains at 12,000 gpd AADF. The permit is attached as Exhibit "F".

Question 3: OPC indicated that plant additions are offset by \$369,045 of projected retirement values. Please provide the basis for the \$369,045 of projected retirement values.

Response: As previously indicated, AUF agrees that the pro forma plant items are offset by \$369,045 in retirements. This has previously been provided in Exhibit B in AUF's Application filed on September 1, 2010. Also, AUF provided additional information concerning the retirement amounts in its response to Staff's Eleventh Data Request .

Question 4: In response to OPC POD No. 8, the Utility recorded Contractual Services - Accounting expenses relating to an internal audit of meter inventory that took place in 2009 that was unbudgeted and non-recurring. Please explain if these costs are reflected in the MFRs in any way. Also, AUF indicated that all 404 fees will be recorded on AAI's books. Please explain if these expenses are allocated to the jurisdictional systems and how.

Response: All Contractual services – Accounting expenses are expensed in accounting fees and allocated to the systems by the customer count methodology. As explained above, AUF does

not believe this amount should be completely eliminated. Instead, it should be considered a non-recurring expense and amortized over a 5 year period consistent with Rule 25-30.433(8), FAC.

Question 5: In response to OPC POD No. 8, the Utility indicated that the town hall meetings for 2009 were eliminated and that none were planned for 2010. Please indicate if there are any other meetings scheduled to be held with AUF customers in lieu of the town hall meetings. If not, please explain if these costs are reflected in the MFRs in any way.

Response: As explained above and as indicated in AUF's response to OPC IROG No. 80, no costs or expenses related to town hall meetings are included in the test year in the current filing. No further Aqua Connects meetings have been held, planned or are anticipated. Also, as indicated in AUF's response to OPC IROG No. 79, there were no Aqua Connects held in either 2009 or 2010.

Question 6: Please provide the monthly balances for Materials and Supplies from May 2010 to February 2011. Please provide the 13-month averages for April 2008 and April 2009.


Response: Attached Exhibit "G" contains the schedule for the monthly balances from May 2010 to February 2011. The 13-month average for April 2008 is \$153,758 and the 13-month average for April 2009 is \$664,652. Furthermore, as noted above, AUF completed its RF meter replacements for the PSC jurisdictional systems in 2008. However, during 2010, AUF was actively replacing RF meters in its Sarasota county system. The RF meter replacement in Sarasota is now complete. The average balance for the period March 2007 through February 2011 is \$371,125.

Question 7: In AUF's recent response to OPC's Third Set of Interrogatories No. 165, AUF provided its 2011 budgeted bad debt expense in the amount of \$264,441. In AUF's MFRs, AUF has requested bad debt expense totaling \$389,419. Rates are set prospectively. Given this \$124,978 difference, does the utility agree that an adjustment should be made to test year bad debt expense? If not, please explain why not. If it agrees that an adjustment should be made, please explain how much of an adjustment is appropriate, and provide work papers showing how the utility came up with the adjustment figure.

Response: As explained above, the Commission previously determined that the appropriate Bad Debt Expense for ratemaking purposes should be based on a three or four year average. See, Order No. PSC-09-0385-FOF-WS (“It is our practice to use a three-year or four-year average to test the reasonableness of a utility’s bad debt expense for ratemaking purposes.”)

Dated this 5th day of April, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was furnished by


U.S. Mail and e-mail this 5th day of April, 2011 to:

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EXHIBIT A

RATE CASE DOCUMENTATION April, 2011

Facility Name	Capital Activity	Name	Projected Cost - in Rate Case	Bid Cost	Actual Cost	AFUDC Accruals in AC290	New AC290 - 3/17/11	Supported Costs - Invoices	Proposals and/or Bid Costs Submitted	Documents
48 Estates	33100760732	HPT Replacement	\$ 23,345	\$20,385.00	\$ 21,253.18		X	\$20,422.72		Capital Activity Request Form, Notice of Award to Utility Technicians, Tank Bid Sheet, Utility Tech Proposal 3738, Eco 2000 proposal for 48 Estates, Oxford Pipeline Quotation for 48 Estates, Tank Engr & Mgmt Hydropneumatic Tank Inspection report for 48 Estates 12-2009, Tank drawing from Dixie Tank, AUF letter to FDEP notifying of HPT installation 03/25/10, FDEP Sanitary Survey 11/27/07, AUF AC290 report for capital activities
Arredondo Estates	33101366394	HPT Replacement	\$ 45,000		\$ 52,355.47		X	\$ 49,978.34		Capital Activity Request Form, Notice of Award to Oxford Pipeline, Tank Engr. & Mgmt. Hydropneumatic Tank Inspection report for Arredondo Estates 12-2009, Tank drawing from Dixie Tank, AUF letter to FDEP notifying of HPT installation 12/27/10, FDEP Sanitary Survey 12/2/09, AUF AC290 report for capital activities, Oxford Pipeline Invoice # 353-001 08/17/10.
Arredondo Farms	33101367993	HPT Replacement	\$ 15,000		\$ -		X	\$ -		
Arredondo Farms	33638920982 & 33200530188	WWTP Improvement / WWTP Upgrades / Perc Pond Rehabilitation / Sinkhole Rehabilitation	\$ 240,000		\$ 418,930.04		X	415,284.42		Capital Activity Request Form, Devo Seereeram, Ph.D proposal signed by AUF, Andritz proposal for hydrasieve signed by AUF, Mack Concrete Industries contract for \$197,900.00 signed by AUF, Mack Concrete Industries contract for electrical work for \$13,694.20 signed by AUF, Forensic & Engr proposal to Mack Concrete for electrical work, Stokes Electric proposal to Mack Concrete for electrical work, FDEP WW Permit Appl. Form 2 A for Domestic WW Facilities, FDEP WW Facility or Activity Permit Application Form 1 General Info, AUF AC290 report for capital activities - activity number 33638920982, AUF AC290 report for capital activities - activity number 33200530188, Mack Industries Invoice #MENV 1333, Date 6/18/10, Precision Engr. Solutions Invoice # 0123, Date 8/15/10, Mack Industries Invoice # MENV 1377, Date 8/20/10, Tricia Williams Expense account report 8/20/10, G & G Lawn Maint. Invoice #35016, Date 9/1/10, G & G Lawn Maint Invoice # 35031, Date 9/22/10, Mack Industries Invoice # MENV 1421, Date 9/29/10.
Breeze Hill	33697327226	1 & 1 Cleaning & Video	\$ 100,000		\$ 10,322.21		X	\$6,625.00	\$75,812.00	Project Request Form, AUF AC290 report for capital activities, TNT Sewer Invoice # 09-3072 Date 12/22/09, TNT Sewer Invoice #10-305, Date 1/18/10.
East Lake Harris	33640637450	Water Chlorine conversion	\$ -		\$ 20,494.14		X	\$18,253.76		
Haines Creek	33655622617	Water - Emergency Hydro Tank replacement	\$ -		\$ 17,219.24		X	\$13,800.00		
Imperial Mobile Terrace	33641323735	Water County Stormwater project	\$ -		\$ 25,683.57		X	\$24,698.26		
Jasmine Lakes	33200454786	Security Upgrades at WWTF	\$ 10,754		\$ 10,753.84		X	\$10,300.00		Capital Activity Request Form, AUF AC290 report for capital activities, G & G Lawn Maint. Invoice # 188, Date 4/15/10.
Jasmine Lakes	n/a	Generator for Lift station	\$ 50,000				n/a		\$46,905.00	Quote provided previously
Jasmine Lakes	33100160892	Disinfection Contact Time	\$ 180,000	\$9,250.00	\$ 1,076.84		X	1,000.00	\$9,250.00	BESH Proposal/Agreement for Minor Modification signed by AUF
Jasmine Lakes	n/a	Walkway & Weir Replacement	\$ 65,000				n/a	N/A		
Jungle Den	33646826330	WWTP Upgrades - (I&I study??)	\$ 60,000	\$11,900.00	\$ 12,262.67		X	\$ 11,900.00		Capital Activity Request Form, Utility Technicians Proposal 3439, 3440, 3448, 3450, Sellers Salt Springs Hdwe Quote
Lake Gibson Estates	33643525167	Sewer - Replace lift station # 2	\$ -		\$ -		X	\$ -		

Facility Name	Capital Activity	Name	Projected Cost - In Rate Case	Bid Cost	Actual Cost	AFUDC Accruals in AC290	New AC290 - 3/17/11	Supported Costs - Invoices	Proposals and/or Bid Costs Submitted	Documents
Lake Gibson Estates	33643408054	HPT Replacement	\$ 80,000		\$ 78,877.04		X	\$56,951.73		Capital Activity Request Form, Email from Jerry Connohly, Fax Transmittal from D Muldoon, KBHS Contract, TNT Sewer Bid, Marolf Env. Quote, Aqua Sub Info Sheet, W.G. Authorization info, Aqua Check Request form to Polk Co. FDOH letter to Aqua regarding tank replacement, KBHS Invoice # 6761, Date, 3/23/07, KBHS Invoice #7605, Date 9/23/07, TNT Sewer Invoice 07-4107, Date 11/16/07, AUF Letter to Polk Co regarding expired permit 07/01/10, AUF L-O-T to Polk Co with following documents - 1 AUF check for \$75.00, FDEP Cert. of Const. Complete & Request for Clearance, Bactis for clearance HPT As Built Drawing, AUF AC290 report for capital activities - activity number 33643408054, Precision Engr. Invoice # 0323, Date 8/15/10, Utility Tech Inv. # 20676, Date 9/23/10, AUF check request to Polk Co for permit fee, Email from N Wesson request check request, Polk Co. Water Permit fees.
Highlands Co Plants - Lake Josephine, Leisure Lakes & Sebring Lakes	33101069312, 33101069314, 33101069316	Secondary Water Quality	\$ 450,000	\$ 366,688.00	\$ 137,155.50		X	224,935.20	\$ 366,688.00	AdEdge Proposal signed by AUF, Kimley Horn Agreement signed by AUF. - \$366,688 - Invoices from AdEdge Technologies
Leisure Lakes	33640317390	Water Chlorine conversion	\$ 30,000		\$ 29,234.36		X	24,839.85		Will be installed at time Adedge treatment system is installed
Lake Suzy	33101066417	Fire Flow	\$ 65,000		\$ 10,098.66		X	9,675.75	Various	Aqua America Hydraulic Water System Study, Kimley Horn Technical memorandum
Lake Suzy	33200230148	New Air Headers	\$ 80,000		\$ 141,753.27		X	126,457.16		Email with drawings from Bruce Albritton for tank repairs and modifications, CMW Quote, Bailey Development Proposal signed by AUF, Bailey Development Proposal dated 3/31/10 for driveway, Bailey Development Change Order 1 dated 3/31/10, Palm Beach fire Sprinkler Contract/Change Order 06/22/10, AUF AC290 report for capital activities, , ASAP Invoice # 04-007562-03 03/17/10, ASAP Invoice # 04-007562-06 03/19/10, ASAP Invoice # 04-007562-07 03/19/10, ASAP Credit Memo P51140, Total Pipeline Invoice # 3228 03/19/10, Kingsway Ace Hdwe Invoice # 39847/1 03/19/10, Bailey Dev. Invoice 3/22/10, USA Blue Book Invoice # 123201 04/06/10, USA Blue Book Packing List, Water Equip. Tech Invoice # 4552 04/08/10, Kingsway Ace Hdwe Invoice # 40332/1 04/15/10, Ferguson Invoice #26250 4/20/10, Ferguson Packing Slip, Ferguson Invoice #26250 04/20/10, Ferguson Packing Slip, PR Dist. Invoice 1546 04/20/10, Gulf Coast Crane Invoice 21339 04/23/10, A Team Underground Invoice 04/25/10, Bailey Dev. Invoice 04/27/10, Tractor Supply Invoice 16452 06/07/10, Home Depot Invoice 2570485 06/07/10, Ferguson Invoice 1222261 06/08/10, Ferguson Packing Slip, Gulf Coast Invoice 21339B 04/23/10, Water Equipment Tech Invoice 5006 10/18/10.
Ocala Oaks	33100266419	HPT Replacement	\$ 40,000		\$ 29,674.26		X	\$26,618.33		Oxford Pipeline Inc invoice 9/15/10, Sanitary Survey Report completed on 2/17/10,
Park Manor		Sewer - I&I study	\$ 40,000				n/a	N/A		
Piney Woods	33641824486	Like for Like HPT tank	\$ 35,000		\$ 29,927.65		X	\$27,888.00		Bid proposals: Utility Technicians Inc, ECO-2000, Inc, Oxford Pipeline Inc. Notification letter to FDP of installation of like for like tank replacement 03/25/10. Tank Inspection 5500 fall HTP tank 9/11/08, Sanitary Survey Inspection 12/3/09,

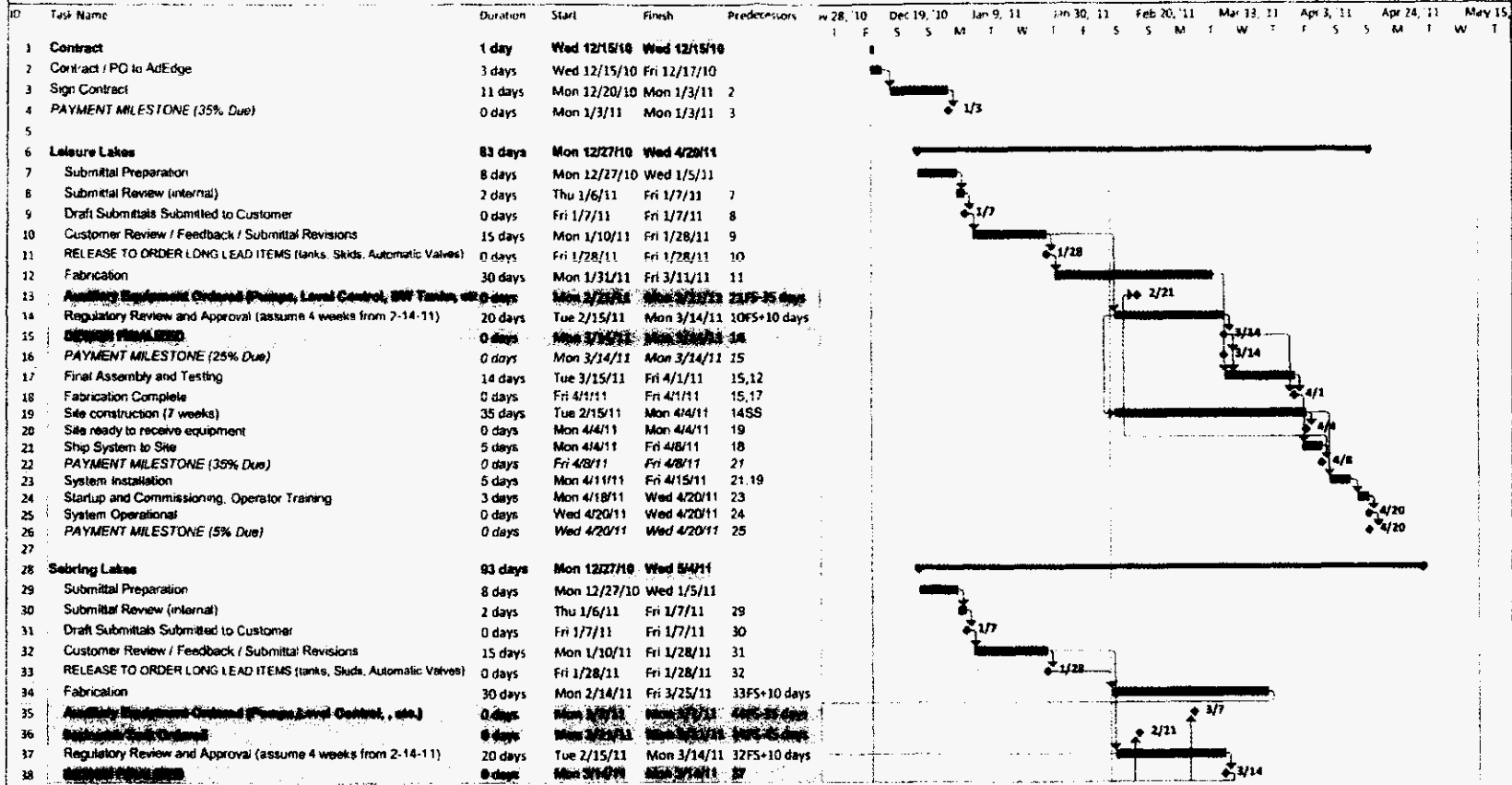
Facility Name	Capital Activity	Name	Projected Cost - In Rate Case	Bid Cost	Actual Cost	AFUDC Accruals in AC290	New AC290 3/17/11	Supported Costs - Invoices	Proposals and/or Bid Costs Submitted	Documents
Peace River	33102160754	Radium Removal	\$ 50,000		\$ 9,282.12		X	\$8,307.51	\$4,500.00	Pilot Study agreement, Water Remediation Technology LLC, Invoice 5/25/10 #003430 (\$2500.00), Invoice #103512715 7/09/10 (\$1050.00), Invoice #103514526 8/12/10 (\$720.00) Paratee Co Inc Invoice #104786 08/14/10 (\$3047.51) Aqua Utilities Pl Inc employee expense report (\$743.72), (\$1806.87), (\$2290.02).
Ravenswood	33100760831	Like for Like HPT tank	\$ 10,000		\$ 23,173.48		X	\$22,268.00		Bid proposals: Utility Technicians Inc (\$89,792), Oxford Pipeline Inc (\$91,508), ECO-2000 Inc (\$96,840). Notice of Award to Utility Technicians 1/26/10. HPT tank inspection 12/2009, It's recommended tank to be replaced. Sanitary Survey Report 9/2/10, listed reminders of monitoring.
Rosalie Oaks	33101266433	Like for Like HPT tank	\$ 40,000		\$ 34,921.60		X	32,936.00		Letter to Polk Co DOH 12/27/10, HPT tank inspection 12/209, recommended tank to be replaced, remains in service - pressure relief valves should be tested and maintained at 22psi or lower, interior should be abrasive blast cleaned and recoated.
Rosalie Oaks	33200667995	Lift station mod	\$ 80,000	\$7,300.00	\$ 99,739.33		X	\$99,008.50		Proposal: BESH (Booth, Ern, Straughan & Hiott) 6/7/10, survey, design/permitting, construction bid doc, Project Admin, Constr Admin Services, Bid: Moduss Inc, MBV Eng Inc, CPH, H&B Consulting Eng Inc, Brown & Cullen Inc, Polk Co DOH Sanitary Survey 6/12/09, Invoice Utility Technicians
Silver Lake Est	33642037526	Hi/low Ejector, Chlorine Conversion	\$ 21,069		\$ 43,516.56	\$3,580.21	X	\$33,299.63		CKE Well & Pump Co Invoice #00030427 (\$1560.42), Amazon Invoice #891392-001, BOYD Invoice #2800, Davis Supply Inc Invoice #524722. Conversion: BOYD Invoice # 2845, Davis Supply Inc, BOYD.
Silver Lake Est/Western Shores	33642037549	WTF - Hi/low Ejector, Chlorine Conversion	\$ 42,969		\$ 21,357.70	\$2,451.24	X	\$17,192.39		CKE Well & Pump Co - Invoice # 00030427 erjector 6/23/06, Amazon - Invoice #891392-001 tubing 8/31/06, BOYD - Invoice # 2801 (began preparing base drawings) 06/01/07, Davis Supply Inc - Invoice 43705 (pump40gpd/feed pump) 6/28/07, BOYD Invoice #2846 (field inspection/preparing FDEP level drawings) 09/01/07, Davis Supply Inc - Invoice #43705 (Pump tubes/sterner/fuel surcharge) 6/28/07, BOYD Invoice #2861 (preliminary design report) 10/01/07, Invoice #2980 (partial completion preliminary design report/partial draft engineer drawings) 07/01/08, Invoice #2993 (partial preliminary design report/partial draft engineer drawings) 08/01/08, Invoice #3025 (partial preliminary design report/partial draft engineer drawings) 10/01/08, Invoice #3037 (completed FDEP permit application/design data report & spec/completed engineer drawing) 11/01/08, Invoice #3053 (partial completion of drawing/specification revisions) 12/01/08, Davis Supply Inc- Invoice #62215, (strenner pump/tubing) 12/02/08, BOYD-Invoice 3068 (finalized permit application package/submitted) 01/02/09, FedEx Invoice #9-026-89976, BOYD-Invoice #3086 (Misc coordination concerning FDEP permitting/partial completion of O&M Manual for sodium hypochlorite storage/feed system) 02/01/09, Invoice #3111 (misc coordination concerning equipment specifications/owner installation of permit improvements, Guardian Equipment Inc- Invoice #11137, material/labor (electrolyte, grit,caps) 10/26/09, Central Irrigation-Invoice #4545, amid tagline filter/cutter PVC pipe) 1/28/10.
Skycrest	33101152487	Water Well # 1 pump replacement	\$ 5,891		\$ 6,519.89		X	\$5,548.87		Locke Well & pump

Facility Name	Capital Activity	Name	Projected Cost - In Rate Case	Bid Cost	Actual Cost	AFUDC Accruals in AC290	New AC290 3/17/11	Supported Costs - Invoices	Proposals and/or Bid Costs Submitted	Documents
South Seas	33200264012	WWTF Removal & Replacement Tanks	\$ 400,000		\$ 349,180.62		X	\$319,138.56		Florida Aqua Store-Proposal No PB10-0217-2R, 2/17/10, Bailey Development Corp-proposal 6/9/10, Florida Aquastore Invoice # 788-2, 25% due upon drawing approval 8/31/10, Invoice #788-3, Net due 9/24/10, Invoices Signed by Jack Lihvarcik 10/14/10, H Aquastore Invoice #788-3 material to shop 10/1/10 total kue, PD Distributors Invoice #3736 delivery, Ferguson Enterprises Invoice #1236085 (pine, STL CLMP, EZ-MAX REP CLMP. 1212
South Seas		Wet Weather	\$ 350,000				n/a		N/a	
South Seas		WWTF upgrades - new diffusers	\$ 9,982				?			
Summit Chase	33659620905	WTF - Sand stainer Project	\$ 20,000		\$ 14,255.48		X	\$13,072.81		Barney's Pumps Inc Invoice#1597-09, stainless steel filter/screen/clogging indicator kit, 07/15/09
Sunny Hills	33100568015	WTF - connect well#4 to well#1 ground storage tanks	\$ 50,000	\$15,980.00			?		\$ 18,639.50	Hatch Mott MacDonald proposal, (PWS components/tech specifications), Application for permit to construct PWS components, signed 12/1/10, Hatch Mott - Tech Specifications 12/10, Drawings 11/08/10
Sunny Hills	33100561107	Additional Water Storage	\$ 120,000		\$ -		X			
Tangerine	33642824296	WTF - Watermain Extensions	\$ 90,000		\$ 127,563.97		X	\$119,859.78		MBV - Proposal 6/12/09, Holt Surveying Inc proposal 07/23/09, BESH proposal 08/05/09, Salt Springs Hardware proposal 4/09/10, ECO-2000, Inc proposal 4/05/10, Oxford Pipeline Inc proposal, Blue Ox proposal 4/02/10, Utility Technicians Inc proposal 4/06/10, Indian River Survey Inc proposal (survey)8/22/09, Bid Tab, MBV Invoice #09-12742 contract 10/22/09, Indian River Survey Inc-Invoice#IRS-09-1353, drafting, 10/28/09, MBV-application documents 11/20/09, Aqua Accounts payable request 12/04/09, Home Depot receipt 11/04/09, MBV-Invoice#09-12854 11/20/09, USA blue book Invoice #939579, tape, legend 11/17/09, Home Depot receipt 11/16/09, MBV Invoice #09-12924 11/27/09, MBV Invoice #09-12854 (looping) 10/30/09, Invoice #09-12742 10/02/09, Invoice #10-0124 01/29/10, Invoice #10-0261 02/26/10, Invoice #10-0376 04/02/10, Invoice #10-0443, 04/30/10, Invoice #10-0640 07/02/10, Oxford Pipeline Inc-Invoice #345-02 App #2 10/08/10, Invoice #902-09-10-004 (install water main 1000 LF) 10/14/10, MBV-letter of submission (copy permit, construction completion, request for clearance, bact test results) 10/25/10, FDEP Notification of use of General Permit 10/25/10, Lab results 9/08/10,
Tangerine	33642824297	WTF - Water Quality Project	\$ 9,500		\$ 9,400.14		X	\$5,859.23		Dave Symonds & Asso Inc-Treatment 08/28/09, Carus Corp-Treatment 08/12/09, CPH-services 11/02/09, Dumont Co-Invoice #188672 (stenner pump) 12/07/09, Tractor Supply Co-payment 01/12/10, CPH- Invoice 033-03639-02 application fees 01/08/10, Invoice #033-03639-03 (labor) 01/13/10, Invoice #03335552-3710 (labor) 02/09/10, Dave Symonds & Asso Inc-treatment 09/01/09, CPH Clearance application 4/05/10, FDEP Permit to construct add a blended liquid phosphate system.
Tomoka View	33646923200	Water Quality Flushing upgrades	\$ -		\$ 33,712.74		X	\$32,560.14		

Facility Name	Capital Activity	Name	Projected Cost - In Rate Case	Bid Cost	Actual Cost	AFUDC Accruals in AC290	New AC290 - 3/17/11	Supported Costs - Invoices	Proposals and/or Bld Costs Submitted	Documents
Tomoka View	33646923201	Relocation project	\$ 13,467		\$ 14,356.65		X	\$13,594.04		BESH Proposal/Agreement relocation project 06/17/09, Seiler's Salt Springs Invoice (supplies) 7/20/09, Invoice (supplies) 07/21/09, BESH Invoice (Design/Permitting) 07/30/09, Invoice (Design/Permitting/Project Bidding/Constr Admin) 08/13/09, Invoice (Design/Permitting/Project Bidding/Constr Admin) 08/28/09, Invoice (Design/Permitting/Project Bidding/Constr Admin) 09/10/09, Invoice (Design/Permitting/Project Bidding/Constr Admin) 11/13/09, Invoice (Design/Permitting/Project Bidding/Constr Admin) 11/30/09, Invoice (Design/Permitting/Project Bidding/Constr Admin) 01/14/10, Invoice (Design/Permitting) 01/29/10, Invoice (Design/Permitting/Project Bidding/Constr Admin) 07/15/10, Certification of Construction / Request for Clearance, Lab results 07/09, FDOH/Volusia Co-Permit issuance
Tomoka View	33646924300	WTF - Chlorimine Conversion	\$ 13,610		\$ 15,431.91		X	\$14,282.70		CPH-services Invoice #69642 10/05/09, Invoice #70171 (Design) 11/02/09, Odyssey Manufacturing Co-Invoice #121258, (installation of ammonium sulfate system) 12/10/09, Invoice #121259 (Turnkey installation of ORP) 12/10/09, Hach Co-Invoice #6526869 (Chemicals) 12/14/09, Invoice #6531174 (Chemicals) 12/16/09, Dumont Co-Invoice #189148 (Stenner Pump) 12/15/09, Hach Co-Invoice #6541923 (Chemicals) 12/24/09, FDOH Volusia Co-Permit Issuance 11/30/09
Tomoka View		New Tank Liners - WWTP	\$ 70,000					\$0.00	\$48,652.00	Proposals from Fab-Seal Industrial Liners, Inc.
Valencia Terrace	33642336848	Water - Gas Chlorine conversion	\$ -		\$ 51,511.46	\$ 7,838.73	X	\$39,008.71		
Valencia Terrace	33642401811	WWTP Upgrades	\$ 82,071		\$ 84,712.79	\$ 11,260.79	X	\$61,351.10		
Village Water	33200961256	Spray Effluent Disposal System	\$ 250,000	\$15,035.00	\$ -		X	-	\$ 15,035.00	Andreyev-proposal 01/31/11, BESH-proposal 01/31/11.
The Woods	33656424487	HPT Replacement	\$ 30,000		\$ 26,580.54		X	\$23,309.31		Oxford Pipeline Inc-Proposal 12/15/09, Utility Technicians Inc-Proposal 12/15/09, ECO-2000 Inc-Proposal 01/26/10, Oxford Pipeline Inc-Quotation 12/08/09, FDEP CI Inspection 7/06/09, Aqua notification to FDEP of installation of a HPT replacement 03/25/10, Notice of Award 1/26/10.
The Woods	33200354853	WWTF - Pond Rehab	\$ 10,733		\$ 23,368.93		X	\$21,934.65		G&G Lawn Maintenance Inc- Maintenance Invoice #177 (draw/dirt) 04/05/10, Invoice #211 (Maintenance) 05/18/10, Invoice #217 (Maintenance) 5/24/10,
Zephyr Shores	33643124302	Water Quality Project	\$ 36,217		\$ 36,531.48		X	\$33,209.37		Dave Symonds & Asso Inc-Treatment recommendations 08/18/09, CARUS-sample results 08/17/09, CPH Polyphosphate addition application package 12/14/09, Dave Symonds & Asso Inc- (Lab results) 08/21/09, CARUS- Lab results 8/17/09, Aqua letter transmittal (Cert of Construction Completion/Request for Clearance) 03/09/10.
Truck Replacements	33900161465		\$ 200,279		\$ 171,378.69		X	\$ 171,378.69		
Admin IT projects & Lady Lake Setup	various		\$ 264,584		\$ 264,058.47		X	264,058.47		Allocated to AUF at 60.15%
TOTAL			\$ 3,879,471	\$ 446,538	\$ 2,507,606.49	\$ 25,131		\$ 2,420,807	\$ 585,482	

EXHIBIT B

Aqua Florida - Revised 2-14-11



Project: Aqua Florida - Revised 2-14-11
Date: Mon 2/14/11

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start only			
Summary		Inactive Task		Duration only		Finish only			

Aqua Florida - Revised 2-14-11

Task Name	Duration	Start	Finish	Predecessors	iv 28, 10	Dec 19, 10	Jan 9, 11	Jan 16, 11	Feb 20, 11	Mar 13, 11	Apr 1, 11	Apr 24, 11	May 15, 11
					T	F	S	S	M	T	W	T	F
19 PAYMENT MILESTONE (25% Due)	0 days	Mon 3/14/11	Mon 3/14/11	38									
40 Final Assembly and Testing	15 days	Mon 3/28/11	Fri 4/15/11	34									
41 Fabrication Complete	0 days	Fri 4/15/11	Fri 4/15/11	38,40									
47 Site construction (8 weeks)	40 days	Tue 2/15/11	Mon 4/11/11	37,55									
43 Site ready to receive equipment	0 days	Mon 4/11/11	Mon 4/11/11	42									
44 Shp System to Site	5 days	Mon 4/18/11	Fri 4/22/11	41									
45 PAYMENT MILESTONE (35% Due)	0 days	Fri 4/22/11	Fri 4/22/11	44									
46 System Installation	5 days	Mon 4/25/11	Fri 4/29/11	42,44									
47 Startup and Commissioning, Operator Training	3 days	Mon 5/2/11	Wed 5/4/11	46									
48 System Operational	0 days	Wed 5/4/11	Wed 5/4/11	47									
49 PAYMENT MILESTONE (5% Due)	0 days	Wed 5/4/11	Wed 5/4/11	47									
50													
51 Lake Josephine	103 days	Mon 12/27/10	Wed 5/16/11										
52 Submittal Preparation	8 days	Mon 12/27/10	Wed 1/5/11										
53 Submittal Review (internal)	2 days	Thu 1/6/11	Fri 1/7/11	52									
54 Draft Submittals Submitted to Customer	0 days	Fri 1/7/11	Fri 1/7/11	53									
55 Customer Review / Feedback / Submittal Revisions	15 days	Mon 1/10/11	Fri 1/28/11	55									
56 RELEASE TO ORDER LONG LEAD ITEMS (tanks Studs Automatic Valves)	0 days	Fri 1/28/11	Fri 1/28/11	55									
57 Fabrication	30 days	Mon 2/28/11	Fri 4/8/11	56FS+20 days									
58 Anything Remaining Ordered (Pumps, Filters, Tanks, etc.)	0 days	Mon 2/28/11	Mon 2/28/11	57FS-25 days									
59 Regulatory Task Complete	0 days	Mon 2/28/11	Mon 2/28/11	57FS-55 days									
60 Regulatory Review and Approval (assume 4 weeks from 2-14-11)	20 days	Tue 2/15/11	Mon 3/14/11	55FS+10 days									
61 Regulatory Task Complete	0 days	Mon 3/14/11	Mon 3/14/11	60									
62 PAYMENT MILESTONE (25% Due)	0 days	Mon 3/14/11	Mon 3/14/11	61									
63 Final Assembly and Testing	15 days	Mon 4/11/11	Fri 4/29/11	61,57									
64 Fabrication Complete	0 days	Fri 4/29/11	Fri 4/29/11	61,63									
65 Site construction (8 weeks)	40 days	Tue 2/15/11	Mon 4/11/11	60,55									
66 Site ready to receive equipment	0 days	Mon 4/11/11	Mon 4/11/11	65									
67 Shp System to Site	5 days	Mon 5/2/11	Fri 5/6/11	64									
68 PAYMENT MILESTONE (35% Due)	0 days	Fri 5/6/11	Fri 5/6/11	67									
69 System Installation	5 days	Mon 5/9/11	Fri 5/13/11	65,67									
70 Startup and Commissioning, Operator Training	3 days	Mon 5/16/11	Wed 5/18/11	69									
71 System Operational	0 days	Wed 5/18/11	Wed 5/18/11	70									
72 PAYMENT MILESTONE (5% Due)	0 days	Wed 5/18/11	Wed 5/18/11	70									
73													



Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start only			
Summary		Inactive Task		Duration only		Finish only			

Project: Aqua Florida - Revised 2-14-11
Date: Mon 2/14/11

EXHIBIT C



Kimley-Horn
and Associates, Inc.

Invoice for Professional Services

RECEIVED

MAR 25 2011

AQUA UTILITIES FLORIDA
ATTN: PATRICIA R. WILLIAMS
1100 THOMAS AVENUE
LEESBURG, FL 34748

Aqua Utilities
Florida Inc.

Invoice No: 4405221
Invoice Date: Feb 28, 2011
Invoice Amount: \$2,300.00

Project No: 148142001.2
Project Name: WATER FILTRATION SYSTEM
Project Manager: PAQUET, DEAN

Please send payments to:
KIMLEY-HORN AND ASSOCIATES, INC.
P.O. BOX 932520
ATLANTA, GA 31193-2520

Client Reference:

For Services Rendered through Feb 28, 2011

Federal Tax Id: 56-0885615

HOURLY

Description	Current Amount Due
SERVICES RENDERED	2,300.00
Total HOURLY	2,300.00

Total Invoice: \$2,300.00

DESCRIPTION OF SERVICES PERFORMED:

- Expenses include survey fee from Strayer Surveying & Mapping, Inc. for January 11th existing conditions surveys of the three sites.

Lake Josephine - \$766.67
Sec. Wtr Qlty
33101069312

Leisure Lakes - \$766.66
Sec. Wtr Quality
33101069314

Sebring
Secondary Water Quality \$766.67
33101069316
3-25-11



Kimley-Horn
and Associates, Inc.

Invoice for Professional Services

AQUA UTILITIES FLORIDA
ATTN: PATRICIA R. WILLIAMS
1100 THOMAS AVENUE
LEESBURG, FL 34748

RECEIVED

MAR 25 2011

Aqua Utilities
Florida Inc.

Invoice No: 4403793
Invoice Date: Feb 28, 2011
Invoice Amount: \$5,880.00

Project No: 148142001.1
Project Name: WATER FILTRATION SYSTEM
Project Manager: PAQUET, DEAN

Please send payments to:
KIMLEY-HORN AND ASSOCIATES, INC.
P.O. BOX 932520
ATLANTA, GA 31193-2520

Client Reference:

For Services Rendered through Feb 28, 2011

Federal Tax Id: 56-0885615

LUMP SUM

Description	Contract Value	% Complete	Amount Earned to Date	Previous Amount Billed	Current Amount Due
SEBRING LAKES	12,100.00	30.00%	3,630.00	1,815.00	1,815.00
LAKE JOSEPHINE	12,100.00	30.00%	3,630.00	1,815.00	1,815.00
LEISURE LAKES	15,000.00	30.00%	4,500.00	2,250.00	2,250.00
Subtotal	39,200.00	30.00%	11,760.00	5,880.00	5,880.00
Total LUMP SUM					5,880.00

Total Invoice: \$5,880.00

DESCRIPTION OF SERVICES PERFORMED:

- Coordinate submittal packages with manufacturer.
- Review FDEP requirements and items needed for submittals.
- Prepare construction plans.

Sebring Lakes - \$1815.00
Secondary Wtr Quality
33 1010 69316

Leisure Lakes - \$2250.00
Secondary water quality
33 1010 69314

Lake Josephine - \$1815.00
Secondary Wtr Quality
33 1010 69312



AdEdge Technologies
 5152 Belle Wood Court
 Suite A
 Buford, GA 30518



Invoice

Date	Invoice #
2/23/2011	4843

Bill To			
Aqua Utilities Florida, Inc P.O. Box 2480 Lady Lake, FL 32158-2480 U.S.			
Customer Fax			
P.O. Number	S.O. Number	Terms	Rep
LK Josephine	3331	Net 15	PM

Ship To		
<i>Hand the invoice please just before shipment 351070 65372</i>		
Customer Phone		
Due Date	Via	F.O.B.
3/10/2011	LTL Truck	Buford, GA

Quantity	Item Code	Description	U/M	Price Each	Amount
0	1 JET-0121	AD26 Sulfide Treatment System Treatment system rated for up to 230 gpm design flow Model AD26-4260CS-S-3-AVH System (Triplex System) AD26 manganese dioxide oxidation filtration system Pre-packaged, skid mounted, pre-piped and wired Three carbon steel epoxy lined coated vessels in parallel 42-inch diameter x 60-inch filtration vessels; PVC High Slotted lateral collection system (optional stainless steel) AD26 oxidation filtration media, 20x40 mesh (87 cu ft) Control Underbed/da			0.00
0	Shipping	Shipping - Handling (To be invoiced at time of shipment) Total sales tax calculated by Avalas SI		0.00 2,055.50	0.00 2,055.50
0	Standard	For Contract for Lake Josephine, dated 12/6/2010 - \$133,700		0.00	0.00
0	Contract	+75% on contract to initiate drawings and design submittals to supply to Kinley-Horn: \$46,795.00 (does not include sales taxes) +22% on release to manufacturing; net 15 days (\$33,425.00 does not include sales taxes) +55% on shipment; net 15 days (\$46,795.00) does not include sales taxes) +5% on successful startup or 45 days after shipment, whichever occurs first (\$6,685.00 does not include sales taxes) PROGRESSIVE INVOICING: +25% on release to manufacturing; net 15 days (\$33,425.00 does not include sales taxes) Sales Tax		33,425.00 0.00%	33,425.00T 0.00

If you have any questions please call our office or email us online at adedge@adedge.com			Invoice Total	835,480.50
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Phone #	770-835-0057	Fax #	678-835-0057	Balance Due	835,480.50
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Average Technologies
 5152 Belle Wood Court
 Suite A
 Buford, GA 30518



Invoice

Date	Invoice #
2/23/2011	4844

Bill To

Aqua Utilities Florida, Inc
 PO Box 2480
 Lady Lake, FL 32158-2480
 US

Customer Fax

P.O. Number	S.O. Number	Terms	Rep
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Lasure Lakes	3333	Net 15	PM
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Ship To

*WCC
JH*
3316 Rd 1314
1-1-2011
JH

Customer Phone

Due Date	Via	F.O.B.
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3/10/2011	TBD	Buford, GA
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Quantity	Item Code	Description	U/M	Price Each	Amount
1	1111-0111	AD26 Sulfide Treatment System Treatment system rated for up to 75 gpm design flow Model API 26-3660CS-2-AV11 system (Duplex system) AD26 manganese dioxide oxidation filtration system Pre-packaged, skid mounted system on tubular stainless steel frame Two carbon steel epoxy lined vessels in parallel 36-inch diameter X 60-inch filtration vessels; SCH 80 PVC stored hub and lateral collection system (optional stainless steel) AD26 oxidation filtration media, 20x40 mesh (44 cu ft) Gravel or garnet underbedding			0.00
0	Shipping	Shipping - Handling (to be invoiced at time of shipment) Total sales tax calculated by AvaTax S1		0.00 1,337.00	0.00 1,337.00
0	Standard	Term Contract for Lasure Lakes, dated 12-6-2010 \$85,800 *35% on contract to initiate drawings and design submittals to supply to Kinsley-Horn (\$30,030.00) does not include sales taxes) *25% on release to manufacturing ; net 15 days (\$21,450.00 does not include sales taxes) *25% on shipment; net 15 days (\$30,030.00) does not include sales taxes) *5% on successful startup or 45 days after shipment, whichever occurs First (\$4,290.00 does not include sales taxes) PROGRESSIVE INVOICE 25% on release to manufacturing ; net 15 days (\$21,450.00 does not include sales taxes) Sales Tax		0.00 21,450.00 0.00	0.00 21,450.00 0.00

If you have any questions please call our office or email
 accounting@adedgetechnologies.com

Invoice Total

\$22,787.00

Phone #

678-835-0052

Fax #

678-835-0057

Balance Due

\$22,787.00



Adedge Technologies

5152 Belle Wood Court

Suite A

Buford, GA 30518



Invoice

Date	Invoice #
2/23/2011	4845

Bill To			
Water Utilities Florida, Inc PO Box 2480 Lake Park, FL 32158-2480 USA			
Customer Fax			
P.O. Number	S.O. Number	Terms	Rep
Sebring Lakes	1345	Net 15	PM

Ship To		
<i>See site survey 331010 69316</i>		
Customer Phone		
Due Date	Via	F.O.B.
3-10-2011	TBD	Buford, GA

*WCC
2/23/11
JTB
4-15-11
JTB*

Quantity	Item Code	Description	U/M	Price Each	Amount
1	SE11-011	AD26 Subtle Treatment System Treatment system rated for up to 230 gpm design flow Model AD26-4260CS-S-3-AVH System (Triplex System) AD26 manganese dioxide oxidation filtration system Pre-packaged, skid mounted, pre-piped and wired Three carbon steel epoxy lined coated vessels in parallel 42-inch diameter x 60-inch filtration vessels; PVC Haly-slotted lateral collection system (optional stainless steel) AD26 oxidation filtration media, 20x40 mesh (87 cu ft) Corner Underbedding			0.00
0	Shipping	Shipping - Handling (To be invoiced at time of shipment)		0.00	0.00
0	stand off	Final Contract for Sebring Lakes, dated 12-6-2010 - \$133,700		0.00	0.00
		*75% on contract to initiate drawings and design submittals to supply to Randle-Haven \$46,795.00 (does not include sales taxes)			
		*25% on release to manufacturing ; net 15 days (\$33,425.00 does not include sales taxes)			
		*35% on shipment, net 15 days (\$46,795.00) does not include sales taxes)			
		*25% on successful startup or 45 days after shipment, whichever occurs first (\$68,500 does not include sales taxes)			
		Total sales tax calculated by AvaTax ST		2,055.50	2,055.50
		PROGRI - 88.5% FINA OIC (25% on release to manufacturing ; net 15 days (\$33,425.00) does not include sales taxes)		33,425.00	33,425.00
		Sales Tax		0.00%	0.00

If you have any questions please call our office or email accounting@adedge.com				Invoice Total	\$35,480.50
Phone #	678-835-0052	Fax #	678-835-0055	Balance Due	\$35,480.50

EXHIBIT D

Williams Testing LLC
 PO Box 15877
 Sarasota, FL 34277
 USA

Invoice
 Invoice Number:
 004242

Invoice Date:
 Mar 18, 2011

Voice: 941-921-7304
 Fax: 941-925-1901

Page:
 1

Sold To:
 Aqua-Utilities Inc of Florida
 PO Box 2480
 Lady Lake, FL 32158-2480

Ship to:
 Breeze Hill MHP-Lake Wales
 3301 - Lake County/Lady Lake
 , FL

Customer ID		Customer PO		Payment Terms	
Aqua		PO#: 1035-0000		Net 30 Days	
Sales Rep ID		Shipping Method		Ship Date	Due Date
SD		Lake County		3/9/11	4/17/11
Quantity	Item	Description	Unit Price	Extension	
1,685.00	CIP Liner	Installed C.I.P.P Liners in 1685 Lf of 6"-8" VCP Sewer	28.00	47,180.00	
29.00	Cutsvc	Reinstate Service Laterals	175.00	5,075.00	
1.00	Mag	8 Foot Magnaliner installed in 8" VCP Sewer Pipe	2,000.00	2,000.00	
1.00	Point Repairs	Service Lateral Wye Replacement by Rusty Plumbing	10,500.00	10,500.00	
		Terms of Payment:			
		20% Upon Award			
		30% Upon Mobilization			
		40% Upon Completion & Restoration			
		10% Upon Final Approval			

	Subtotal	64,755.00
	Sales Tax	
	Total Invoice Amount	64,755.00
Check No:	Payment Received	0.00
	TOTAL	64,755.00

Overdue invoices are subject to late charges.

EXHIBIT E

Aqua Florida
Average Consumption per Customer
Feb-11
(in Gallons)

Avg Gals Sold	Total State			AUF Consolidated			Chuluota			Citrus			Sarasota		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Residential	6,173	5,336	4,944	5,967	5,005	4,544	8,623	8,041	8,156	4,277	3,955	3,497	5,196	4,933	4,586
Commercial	16,384	16,246	17,303	18,624	18,413	19,003	55,684	53,297	38,096	-	-	-	12,851	13,019	15,125
Trailer	1,906	1,731	1,708	-	-	-	-	-	-	-	-	-	1,906	1,731	1,708
MultiFam	141,748	105,235	234,072	-	-	-	-	-	-	-	-	-	141,748	105,235	234,072
Total	6,235	5,459	5,151	6,191	5,237	4,795	9,308	8,651	8,556	4,277	3,955	3,497	4,718	4,467	4,532
Active Cust Ct	19,919	19,792	19,770	15,526	15,362	15,250	1,396	1,422	1,464	338	305	297	2,304	2,210	2,282
Residential	712	694	683	280	271	269	21	20	19	-	-	-	408	400	392
Commercial	1,728	1,781	1,796	-	-	-	-	-	-	-	-	-	1,728	1,781	1,796
Trailer	6	4	3	-	-	-	-	-	-	-	-	-	6	4	3
MultiFam	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	22,365	22,272	22,252	15,806	15,633	15,519	1,417	1,442	1,483	308	305	297	4,346	4,396	4,473
AUF W 1	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Residential	6,879	6,929	6,194	5,539	5,019	4,610	5,734	5,290	4,848	3,686	3,297	3,058	4,686	4,467	4,152
Commercial	18,030	18,823	29,777	17,416	12,698	14,585	11,826	10,432	8,404	20,568	21,616	20,030	20,568	21,616	20,030
Trailer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MultiFam	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	8,944	7,007	6,348	5,755	5,161	4,797	5,873	5,403	4,925	4,109	3,749	3,478	4,109	3,749	3,478
Active Cust Ct	5,383	5,308	5,240	2,391	2,373	2,363	1,481	1,469	1,450	6,272	6,244	6,211	6,272	6,244	6,211
Residential	39	35	35	44	45	45	34	34	32	164	158	158	164	158	158
Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trailer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MultiFam	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,422	5,343	5,274	2,435	2,418	2,408	1,516	1,503	1,482	6,436	6,402	6,369	6,436	6,402	6,369

EXHIBIT F



Florida Department of Environmental Protection

Northeast District
7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256-7590

Rick Scott
Governor

Jennifer Carroll
Lt. Governor

Mimi A. Drew
Secretary

STATE OF FLORIDA DOMESTIC WASTEWATER FACILITY PERMIT

PERMITTEE:

Aqua Utilities Florida, Inc

PERMIT NUMBER: FLA011715-005

FILE NUMBER: FLA011715-005-DW3P

ISSUANCE DATE: January 10, 2011

EXPIRATION DATE: January 9, 2016

RESPONSIBLE OFFICIAL:

John M Lihvarcik
1100 Thomas Ave
Leesburg, Florida 34748-3646
(352) 435-4030

FACILITY:

Silver Lake Oaks Mobile Home Park WWTF
Lake Shore Drive
Palatka, FL 32177
Putnam County
Latitude: 29°37' 15.85" N Longitude: 81°42' 48.88" W

This permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and applicable rules of the Florida Administrative Code (F.A.C.). This permit does not constitute authorization to discharge wastewater other than as expressly stated in this permit. The above named permittee is hereby authorized to operate the facilities in accordance with the documents attached hereto and specifically described as follows:

WASTEWATER TREATMENT:

To operate an existing 0.012 million gallons per day (MGD) annual average daily flow (AADF) permitted capacity extended aeration wastewater treatment facility (WWTF) consisting of one influent lift station, two aeration tanks (6,000 gallons each), one aerobic digester (1,800 gallons), one clarifier (3,300 gallons), one chlorine contact chamber (700 gallons), one sand filter (12 ft²), and one effluent pump station. Final effluent is discharged to an absorption field system. The residuals are transported to DEP permitted facility for further treatment and final disposal.

REUSE OR DISPOSAL:

Land Application R-001: An existing 0.012 MGD annual average daily flow permitted capacity absorption field system. R-001 consists of bottom area 7,276 ft² located approximately at latitude 29°37' 24" N, longitude 81°42' 51" W.

IN ACCORDANCE WITH: The limitations, monitoring requirements, and other conditions set forth in this cover sheet and Part I through Part IX on pages 1 through 16 of this permit.

PERMITTEE: Aqua Utilities Florida, Inc
 FACILITY: Silver Lake Oaks Mobile Home Park WWTF

PERMIT NUMBER: FLA011715-005
 EXPIRATION DATE: January 9, 2016

I. RECLAIMED WATER AND EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

A. Reuse and Land Application Systems

1. During the period beginning on the issuance date and lasting through the expiration date of this permit, the permittee is authorized to direct reclaimed water to Reuse System R-001. Such reclaimed water shall be limited and monitored by the permittee as specified below and reported in accordance with condition I.B.6.:

Parameter	Units	Max/Min	Reclaimed Water Limitations		Monitoring Requirements			Notes
			Limit	Statistical Basis	Frequency of Analysis	Sample Type	Monitoring Site Number	
Flow	MGD	Max Max Max	0.012 Report Report	Annual Average Monthly Average 3-Month Average(TMADF)	5 Days/Week	Elapsed Time Measurement on Pump	INF-2	See I.A.3
Percent Capacity, (TMADF/Permitted Capacity) x 100	percent	Max	Report	Monthly Total	Monthly	Calculated	CAL-1	
BOD, Carbonaceous 5 day, 20C	mg/L	Max Max Max Max	20.0 30.0 45.0* 60.0	Annual Average Monthly Average Weekly Average Single Sample	Monthly	Grab	EFA-1	
Solids, Total Suspended	mg/L	Max	10.0	Single Sample	Monthly	Grab	EFA-1	
Coliform, Fecal	#/100mL	Max Max Max	200 200 800	Annual Average Monthly Geometric Mean Single Sample	Monthly	Grab	EFA-1	See I.A.4
pH	s.u.	Min Max	6.0 8.5	Single Sample Single Sample	5 Days/Week	Grab	EFA-1	
Chlorine, Total Residual (For Disinfection)	mg/L	Min	0.5	Single Sample	5 Days/Week	Grab	EFA-1	See I.A.5
Nitrogen, Nitrate, Total (as N)	mg/L	Max	12.0	Single Sample	Annually	Grab	EFA-1	See I.A.6 and I.A.7

Note: (*) The Weekly average limit is applicable when more than one sample is taken within a seven days period.

PERMITTEE: Aqua Utilities Florida, Inc
FACILITY: Silver Lake Oaks Mobile Home Park WWTF

PERMIT NUMBER: FLA011715-005
EXPIRATION DATE: January 9, 2016

2. Reclaimed water samples shall be taken at the monitoring site locations listed in Permit Condition I.A.1. and as described below:

Monitoring Site Number	Description of Monitoring Site
INF-2	Pumps at influent lift station.
CAL-1	Calculated value.
EFA-1	Effluent, after disinfection but prior to discharge to absorption field

3. An elapsed time measurement on pumps shall be utilized to measure flow and calibrated at least once every 12 months. *[62-601.200(17) and .500(6)]*
4. The effluent limitation for the monthly geometric mean for fecal coliform is only applicable if 10 or more values are reported. If fewer than 10 values are reported, the monthly geometric mean shall be calculated and reported on the Discharge Monitoring Report. *[62-600.440(4)(c)]*
5. Total residual chlorine must be maintained for a minimum contact time of 15 minutes based on peak hourly flow. *[62-610.510, 62-600.440(4)(b) and (5)(b)]*
6. During the annual monitoring, if nitrate exceeds the limit, then monthly monitoring shall begin immediately for a period of 6 months. If nitrate does not exceed the limit during the 6-month monitoring period, then the facility may request in writing a return to annual monitoring. If nitrate does exceed the limit during monthly monitoring, then the permittee must begin the requirements set forth in specific condition I.A.6. Nitrate plus nitrite nitrogen (NO₃+NO₂-N) analysis may be used as the sample parameter. *[62-4.070(3) and 62-522.(9)(a), FAC]*
7. If effluent nitrate exceeds the limit criteria set forth in specific condition I.A.1 and I.A.6 above, the permittee shall submit a groundwater monitoring proposal prepared by a professional geologist or professional engineer (registered in the State of Florida). The proposal shall be submitted within 90 days of the date of the reported monthly nitrate violation. The groundwater monitoring proposal shall provide proper location of a single groundwater monitoring well downgradient from the absorption field. At the same time, an application to revise the permit must be submitted in order to set forth conditions necessary to ensure adequate groundwater monitoring. *[62-522.600.(3), FAC]*

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 FACILITY: Silver Lake Oaks Mobile Home Park WWTF

PERMIT NUMBER: FLA011715-005
 EXPIRATION DATE: January 9, 2016

B. Other Limitations and Monitoring and Reporting Requirements

1. During the period beginning on the issuance date and lasting through the expiration date of this permit, the treatment facility shall be limited and monitored by the permittee as specified below and reported in accordance with condition I.B.6.:

Parameter	Units	Max/Min	Limitations		Monitoring Requirements			Notes
			Limit	Statistical Basis	Frequency of Analysis	Sample Type	Monitoring Site Number	
BOD, Carbonaceous 5 day, 20C (Influent)	mg/L	Max	Report	Monthly Average	Monthly	Grab	INF-1	See I.B.3
Solids, Total Suspended (Influent)	mg/L	Max	Report	Monthly Average	Monthly	Grab	INF-1	See I.B.3

PERMITTEE: Aqua Utilities Florida, Inc
FACILITY: Silver Lake Oaks Mobile Home Park WWTF

PERMIT NUMBER: FLA011715-005
EXPIRATION DATE: January 9, 2016

2. Samples shall be taken at the monitoring site locations listed in Permit Condition I.B.1. and as described below:

Monitoring Site Number	Description of Monitoring Site
INF-1	Influent sample point prior to either biological, chemical treatments or dilution.

3. Influent samples shall be collected so that they do not contain digester supernatant or return activated sludge, or any other plant process recycled waters. [62-601.500(4)]
4. The sample collection, analytical test methods and method detection limits (MDLs) applicable to this permit shall be conducted using a sufficiently sensitive method to ensure compliance with applicable water quality standards and effluent limitations and shall be in accordance with Rule 62-4.246, Chapters 62-160 and 62-601, F.A.C., and 40 CFR 136, as appropriate. The list of Department established analytical methods, and corresponding MDLs (method detection limits) and PQLs (practical quantitation limits), which is titled "FAC 62-4 MDL/PQL Table (April 26, 2006)" is available at <http://www.dep.state.fl.us/labs/library/index.htm>. The MDLs and PQLs as described in this list shall constitute the minimum acceptable MDL/PQL values and the Department shall not accept results for which the laboratory's MDLs or PQLs are greater than those described above unless alternate MDLs and/or PQLs have been specifically approved by the Department for this permit. Any method included in the list may be used for reporting as long as it meets the following requirements:
- The laboratory's reported MDL and PQL values for the particular method must be equal or less than the corresponding method values specified in the Department's approved MDL and PQL list;
 - The laboratory reported MDL for the specific parameter is less than or equal to the permit limit or the applicable water quality criteria, if any, stated in Chapter 62-302, F.A.C. Parameters that are listed as "report only" in the permit shall use methods that provide an MDL, which is equal to or less than the applicable water quality criteria stated in 62-302, F.A.C.; and
 - If the MDLs for all methods available in the approved list are above the stated permit limit or applicable water quality criteria for that parameter, then the method with the lowest stated MDL shall be used.

When the analytical results are below method detection or practical quantitation limits, the permittee shall report the actual laboratory MDL and/or PQL values for the analyses that were performed following the instructions on the applicable discharge monitoring report.

Where necessary, the permittee may request approval of alternate methods or for alternative MDLs or PQLs for any approved analytical method. Approval of alternate laboratory MDLs or PQLs are not necessary if the laboratory reported MDLs and PQLs are less than or equal to the permit limit or the applicable water quality criteria, if any, stated in Chapter 62-302, F.A.C. Approval of an analytical method not included in the above-referenced list is not necessary if the analytical method is approved in accordance with 40 CFR 136 or deemed acceptable by the Department. [62-4.246, 62-160]

5. The permittee shall provide safe access points for obtaining representative influent, reclaimed water, and effluent samples which are required by this permit. [62-601.500(5)]
6. Monitoring requirements under this permit are effective on the first day of the second month following permit issuance. Until such time, the permittee shall continue to monitor and report in accordance with previously effective permit requirements, if any. During the period of operation authorized by this permit, the permittee shall complete and submit to the Department Discharge Monitoring Reports (DMRs) in accordance with the frequencies specified by the REPORT type (i.e.

PERMITTEE: Aqua Utilities Florida, Inc
FACILITY: Silver Lake Oaks Mobile Home Park WWTF

PERMIT NUMBER: FLA011715-005
EXPIRATION DATE: January 9, 2016

monthly, toxicity, quarterly, semiannual, annual, etc.) indicated on the DMR forms attached to this permit. Monitoring results for each monitoring period shall be submitted in accordance with the associated DMR due dates below.

REPORT Type on DMR	Monitoring Period	Due Date
Monthly	first day of month - last day of month	28 th day of following month
Quarterly	January 1 - March 31 April 1 - June 30 July 1 - September 30 October 1 - December 31	April 28 July 28 October 28 January 28
Semiannual	January 1 - June 30 July 1 - December 30	July 28 January 28
Annual	January 1 - December 31	January 28

DMRs shall be submitted for each required monitoring period including months of no discharge. The permittee shall make copies of the attached DMR form(s) and shall submit the completed DMR form(s) to the Department's Northeast District Office at the address specified in Permit Condition I.B.7. by the twenty-eighth (28th) of the month following the month of operation.

[62-620.610(18)][62-601.300(1),(2), and (3)]

7. Unless specified otherwise in this permit, all reports and other information required by this permit, including 24-hour notifications, shall be submitted to or reported to, as appropriate, the Department's Northeast District Office at the address specified below:

Florida Department of Environmental Protection Northeast District Office
7825 Baymeadows Way
Suite B200
Jacksonville, Florida 32256-7577

Phone Number - (904)256-1700
FAX Number - (904)448-4366
(All FAX copies and e-mails shall be followed by original copies.)

[62-620.305]

8. All reports and other information shall be signed in accordance with the requirements of Rule 62-620.305, F.A.C. *[62-620.305]*

II. RESIDUALS MANAGEMENT REQUIREMENTS

1. Biosolids generated by this facility are transferred transport to 412 Biosolids Processing Facility or disposal in a Class I solid waste landfill. Transferring biosolids to an alternative biosolids treatment facility does not require a permit modification. However, use of an alternative biosolids treatment facility requires submittal of a copy of the agreement pursuant to Rule 62-640.880(1)(c), F.A.C., along with a written notification to the Department at least 30 days before transport of the biosolids. *[62-620.320(6), 62-640.880(1)]*
2. The source facility and the biosolids treatment facility shall enter into a written agreement addressing the quality and quantity of the biosolids accepted by the biosolids treatment facility. The agreement shall include a statement, signed by the biosolids treatment facility permittee, as to the availability of sufficient permitted capacity to receive the biosolids from the source facility, and indicating that the

PERMITTEE: Aqua Utilities Florida, Inc
 FACILITY: Silver Lake Oaks Mobile Home Park WWTF

PERMIT NUMBER: FLA011715-005
 EXPIRATION DATE: January 9, 2016

biosolids treatment facility will continue to operate in compliance with the requirements of its permit. The agreement shall also address responsibility during transport of biosolids between the facilities. The biosolids treatment facility permittee shall submit a copy of this agreement to the appropriate District Office of the Department, or to the delegated Local Program, at least 30 days before transporting biosolids from the source facility to the biosolids treatment facility. [62-640.880(1)(c)]

3. The permittee shall keep records of the quantities of biosolids generated, received from source facilities, treated, distributed and marketed, land applied, used as a biofuel or for bioenergy, transferred to another facility, or landfilled. These records shall be kept for a minimum of five years. [62-640.650(4)(a)]
4. Biosolids quantities shall be monitored by the permittee as specified below. Results shall be reported on the permittee's Discharge Monitoring Report (monitoring group number RMP-Q) in accordance with Condition I.B.6 and I.B.7:

Parameter	Units	Max/Min	Biosolids Limitations		Monitoring Requirements		
			Limit	Statistical Basis	Frequency of Analysis	Sample Type	Monitoring Site Number
Biosolids Quantity (Transferred)	Dry tons/yr	Max	Report	Annual Total**	Monthly	Calculated	RMP-1
	Dry tons/Mon	Max	Report	Total Monthly			
Biosolids Quantity (Landfilled)	Dry tons/yr	Max	Report	Annual Total**	Monthly	Calculated	RMP-1
	Dry tons/Mon	Max	Report	Total Monthly			

**Note: This Annual total is based on a calendar year.
 [62-640.650(5)]

5. Biosolids quantities shall be calculated as listed in Permit Condition II.4 and as described below:

Monitoring Site Number	Description of Monitoring Site Calculation
RMP- 1	Biosolids quantity is monitored at the digester.

6. The source facility permittee shall not be held responsible for treatment, management, use, land application or disposal violations that occur after its biosolids have been accepted by a permitted biosolids treatment facility with which the source facility permittee has an agreement in accordance with Rule 62-640.880(1)(c), F.A.C., for further treatment, management, use, land application or disposal. [62-640.880(1)(b)]
7. The treatment, management, transportation, use, land application, or disposal of biosolids shall not cause a violation of the odor prohibition in subsection 62-296.320(2), F.A.C. [62-640.400(6)]
8. Storage of biosolids or other solids at this facility shall be in accordance with the Facility Biosolids Storage Plan. [62-640.300(4)]
9. Biosolids shall not be spilled from or tracked off the treatment facility site by the hauling vehicle. [62-640.400(9)]

PERMITTEE: Aqua Utilities Florida, Inc
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PERMIT NUMBER: FLA011715-005
 EXPIRATION DATE: January 9, 2016

10. Florida water quality criteria and standards shall not be violated as a result of land application of biosolids from this facility. *[62-640.400(2)]*
11. Disposal of biosolids, septage, and "other solids" in a solid waste disposal facility, or disposal by placement on land for purposes other than soil conditioning or fertilization, such as at a monofill, surface impoundment, waste pile, or dedicated site, shall be in accordance with Chapter 62-701, F.A.C. *[62-640.100(6)(b) & (c)]*
12. The permittee shall keep hauling records to track the transport of biosolids between facilities. The hauling records shall contain the following information:

Source Facility	Biosolids Treatment Facility
1. Date and time shipped	1. Date and time received
2. Amount of biosolids shipped	2. Amount of biosolids received
3. Degree of treatment (if applicable)	3. Name and ID number of source facility
4. Name and ID number of Biosolids treatment facility	4. Signature of hauler
5. Signature of responsible party at source facility	5. Signature of responsible party at biosolids treatment facility
6. Signature of hauler and name of hauling firm	

A copy of the source facility hauling records for each shipment shall be provided upon delivery of the biosolids to the biosolids treatment facility or treatment facility. The permittee shall report to the Department within 24 hours of discovery any discrepancy in the quantity of biosolids leaving the source facility and arriving at the biosolids treatment facility or treatment facility.

[62-640.650(6)(c), 62-640.880(4)]

13. If the permittee intends to accept biosolids from other facilities, a permit revision is required pursuant to paragraph 62-640.880(2)(d), F.A.C. *[62-640.880(2)(d)]*

III. GROUND WATER REQUIREMENTS

1. Section III is not applicable to this facility.

IV. ADDITIONAL REUSE AND LAND APPLICATION REQUIREMENTS

A. Part IV Absorption Field System(s)

1. Advisory signs shall be posted around the site boundaries to designate the nature of the project area. *[62-610.518]*
2. The permittee may allow public access to the absorption field sites. *[62-610.518]*
3. The absorption field shall be operated to preclude saturated conditions from developing at the ground surface. *[62-610.500(2)]*
4. The maximum annual average loading rate shall be limited to 2.65 inches per day (as applied to the entire bottom area of the absorption field trenches or spreading areas). *[62-610.523(3)]*

PERMITTEE: Aqua Utilities Florida, Inc
FACILITY: Silver Lake Oaks Mobile Home Park WWTF

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EXPIRATION DATE: January 9, 2016

5. Routine aquatic weed control and regular maintenance of storage pond embankments and access areas are required. [62-610.414 and 62-610.514]
6. Overflows from absorption fields or from emergency discharge facilities on storage ponds shall be reported as abnormal events in accordance with Permit Condition IX.20. [62-610.800(9)]

V. OPERATION AND MAINTENANCE REQUIREMENTS

A. Staffing Requirements

1. During the period of operation authorized by this permit, the wastewater facilities shall be operated under the supervision of a(n) operator(s) certified in accordance with Chapter 62-602, F.A.C. In accordance with Chapter 62-699, F.A.C., this facility is a Category III, Class D facility and, at a minimum, operators with appropriate certification must be on the site as follows:

A Class D or higher operator for 3 visits/week on nonconsecutive days for a total of 1 1/2 hours/week. The lead/chief operator must be a Class D operator, or higher.

2. An operator meeting the lead/chief operator class for the treatment plant shall be available during all periods of plant operation. "Available" means able to be contacted as needed to initiate the appropriate action in a timely manner. Daily checks of the plant shall be performed by the permittee or his representative or agent 5 days per week. [62-699.311(1) and (2)]

B. Capacity Analysis Report and Operation and Maintenance Performance Report Requirements

1. The application to renew this permit shall include an updated capacity analysis report prepared in accordance with Rule 62-600.405, F.A.C. [62-600.405(5)]
2. The application to renew this permit shall include a detailed operation and maintenance performance report prepared in accordance with Rule 62-600.735, F.A.C. [62-600.735(1)]

C. Recordkeeping Requirements

1. The permittee shall maintain the following records and make them available for inspection on the site of the permitted facility.
 - a. Records of all compliance monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, including, if applicable, a copy of the laboratory certification showing the certification number of the laboratory, for at least three years from the date the sample or measurement was taken;
 - b. Copies of all reports required by the permit for at least three years from the date the report was prepared;
 - c. Records of all data, including reports and documents, used to complete the application for the permit for at least three years from the date the application was filed;
 - d. Monitoring information, including a copy of the laboratory certification showing the laboratory certification number, related to the residuals use and disposal activities for the time period set forth in Chapter 62-640, F.A.C., for at least three years from the date of sampling or measurement;
 - e. A copy of the current permit;
 - f. A copy of the current operation and maintenance manual as required by Chapter 62-600, F.A.C.;
 - g. A copy of any required record drawings;

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- h. Copies of the licenses of the current certified operators; and
- i. Copies of the logs and schedules showing plant operations and equipment maintenance for three years from the date of the logs or schedules. The logs shall, at a minimum, include identification of the plant; the signature and license number of the operator(s) and the signature of the person(s) making any entries; date and time in and out; specific operation and maintenance activities, including any preventive maintenance or repairs made or requested; results of tests performed and samples taken, unless documented on a laboratory sheet; and notation of any notification or reporting completed in accordance with Rule 62-602.650(3), F.A.C. The logs shall be maintained on-site in a location accessible to 24-hour inspection, protected from weather damage, and current to the last operation and maintenance performed.

[62-620.350, 62-602.650]

VI. SCHEDULES

1. If the permittee wishes to continue operation of this wastewater facility after the expiration date of this permit, the permittee shall submit an application for renewal no later than one-hundred and eighty days (180) prior to the expiration date of this permit. Application shall be made using the appropriate forms listed in Rule 62-620.910, F.A.C., including submittal of the appropriate processing fee set forth in Rule 62-4.050, F.A.C. *[62-620.335(1) and (2)]*

VII. INDUSTRIAL PRETREATMENT PROGRAM REQUIREMENTS

1. This facility is not required to have a pretreatment program at this time. *[62-625.500]*

VIII. OTHER SPECIFIC CONDITIONS

1. In the event that the treatment facilities or equipment no longer function as intended, are no longer safe in terms of public health and safety, or odor, noise, aerosol drift, or lighting adversely affects neighboring developed areas at the levels prohibited by Rule 62-600.400(2)(a), F.A.C., corrective action (which may include additional maintenance or modifications of the permitted facilities) shall be taken by the permittee. Other corrective action may be required to ensure compliance with rules of the Department. Additionally, the treatment, management, use or land application of residuals shall not cause a violation of the odor prohibition in Rule 62-296.320(2), F.A.C. *[62-600.410(8) and 62-640.400(6)]*
2. The deliberate introduction of stormwater in any amount into collection/transmission systems designed solely for the introduction (and conveyance) of domestic/industrial wastewater; or the deliberate introduction of stormwater into collection/transmission systems designed for the introduction or conveyance of combinations of storm and domestic/industrial wastewater in amounts which may reduce the efficiency of pollutant removal by the treatment plant is prohibited, except as provided by Rule 62-610.472, F.A.C. *[62-604.130(3)]*
3. Collection/transmission system overflows shall be reported to the Department in accordance with Permit Condition IX. 20. *[62-604.550] [62-620.610(20)]*
4. The operating authority of a collection/transmission system and the permittee of a treatment plant are prohibited from accepting connections of wastewater discharges which have not received necessary pretreatment or which contain materials or pollutants (other than normal domestic wastewater constituents):
 - a. Which may cause fire or explosion hazards; or
 - b. Which may cause excessive corrosion or other deterioration of wastewater facilities due to chemical action or pH levels; or

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- c. Which are solid or viscous and obstruct flow or otherwise interfere with wastewater facility operations or treatment; or
- d. Which result in the wastewater temperature at the introduction of the treatment plant exceeding 40°C or otherwise inhibiting treatment; or
- e. Which result in the presence of toxic gases, vapors, or fumes that may cause worker health and safety problems.

[62-604.130(5)]

5. The treatment facility, storage ponds for Part II systems, rapid infiltration basins, and/or infiltration trenches shall be enclosed with a fence or otherwise provided with features to discourage the entry of animals and unauthorized persons. *[62-610.518(1) and 62-600.400(2)(b)]*
6. Screenings and grit removed from the wastewater facilities shall be collected in suitable containers and hauled to a Department approved Class I landfill or to a landfill approved by the Department for receipt/disposal of screenings and grit. *[62-701.300(1)(a)]*
7. Where required by Chapter 471 or Chapter 492, F.S., applicable portions of reports that must be submitted under this permit shall be signed and sealed by a professional engineer or a professional geologist, as appropriate. *[62-620.310(4)]*
8. The permittee shall provide verbal notice to the Department's Northeast District Office as soon as practical after discovery of a sinkhole or other karst feature within an area for the management or application of wastewater, wastewater residuals (sludges), or reclaimed water. The permittee shall immediately implement measures appropriate to control the entry of contaminants, and shall detail these measures to the Department's Northeast District Office in a written report within 7 days of the sinkhole discovery. *[62-620.320(6)]*
9. The permittee shall provide adequate notice to the Department of the following:
 - a. Any new introduction of pollutants into the facility from an industrial discharger which would be subject to Chapter 403, F.S., and the requirements of Chapter 62-620, F.A.C., if it were directly discharging those pollutants; and
 - b. Any substantial change in the volume or character of pollutants being introduced into that facility by a source which was identified in the permit application and known to be discharging at the time the permit was issued.

Adequate notice shall include information on the quality and quantity of effluent introduced into the facility and any anticipated impact of the change on the quantity or quality of effluent or reclaimed water to be discharged from the facility.

[62-620.625(2)]

IX. GENERAL CONDITIONS

1. The terms, conditions, requirements, limitations, and restrictions set forth in this permit are binding and enforceable pursuant to Chapter 403, Florida Statutes. Any permit noncompliance constitutes a violation of Chapter 403, Florida Statutes, and is grounds for enforcement action, permit termination, permit revocation and reissuance, or permit revision. *[62-620.610(1)]*
2. This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviations from the approved drawings, exhibits, specifications, or conditions of this permit constitutes grounds for revocation and enforcement action by the Department. *[62-620.610(2)]*

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3. As provided in subsection 403.087(7), F.S., the issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor authorize any infringement of federal, state, or local laws or regulations. This permit is not a waiver of or approval of any other Department permit or authorization that may be required for other aspects of the total project which are not addressed in this permit. *[62-620.610(3)]*
4. This permit conveys no title to land or water, does not constitute state recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title. *[62-620.610(4)]*
5. This permit does not relieve the permittee from liability and penalties for harm or injury to human health or welfare, animal or plant life, or property caused by the construction or operation of this permitted source; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department. The permittee shall take all reasonable steps to minimize or prevent any discharge, reuse of reclaimed water, or residuals use or disposal in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. *[62-620.610(5)]*
6. If the permittee wishes to continue an activity regulated by this permit after its expiration date, the permittee shall apply for and obtain a new permit. *[62-620.610(6)]*
7. The permittee shall at all times properly operate and maintain the facility and systems of treatment and control, and related appurtenances, that are installed and used by the permittee to achieve compliance with the conditions of this permit. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to maintain or achieve compliance with the conditions of the permit. *[62-620.610(7)]*
8. This permit may be modified, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit revision, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition. *[62-620.610(8)]*
9. The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, including an authorized representative of the Department and authorized EPA personnel, when applicable, upon presentation of credentials or other documents as may be required by law, and at reasonable times, depending upon the nature of the concern being investigated, to:
 - a. Enter upon the permittee's premises where a regulated facility, system, or activity is located or conducted, or where records shall be kept under the conditions of this permit;
 - b. Have access to and copy any records that shall be kept under the conditions of this permit;
 - c. Inspect the facilities, equipment, practices, or operations regulated or required under this permit; and
 - d. Sample or monitor any substances or parameters at any location necessary to assure compliance with this permit or Department rules.*[62-620.610(9)]*
10. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data, and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except as such

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- use is proscribed by Section 403.111, F.S., or Rule 62-620.302, F.A.C. Such evidence shall only be used to the extent that it is consistent with the Florida Rules of Civil Procedure and applicable evidentiary rules. [62-620.610(10)]
11. When requested by the Department, the permittee shall within a reasonable time provide any information required by law which is needed to determine whether there is cause for revising, revoking and reissuing, or terminating this permit, or to determine compliance with the permit. The permittee shall also provide to the Department upon request copies of records required by this permit to be kept. If the permittee becomes aware of relevant facts that were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be promptly submitted or corrections promptly reported to the Department. [62-620.610(11)]
 12. Unless specifically stated otherwise in Department rules, the permittee, in accepting this permit, agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance; provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules. A reasonable time for compliance with a new or amended surface water quality standard, other than those standards addressed in Rule 62-302.500, F.A.C., shall include a reasonable time to obtain or be denied a mixing zone for the new or amended standard. [62-620.610(12)]
 13. The permittee, in accepting this permit, agrees to pay the applicable regulatory program and surveillance fee in accordance with Rule 62-4.052, F.A.C. [62-620.610(13)]
 14. This permit is transferable only upon Department approval in accordance with Rule 62-620.340, F.A.C. The permittee shall be liable for any noncompliance of the permitted activity until the transfer is approved by the Department. [62-620.610(14)]
 15. The permittee shall give the Department written notice at least 60 days before inactivation or abandonment of a wastewater facility or activity and shall specify what steps will be taken to safeguard public health and safety during and following inactivation or abandonment. [62-620.610(15)]
 16. The permittee shall apply for a revision to the Department permit in accordance with Rules 62-620.300, F.A.C., and the Department of Environmental Protection Guide to Permitting Wastewater Facilities or Activities Under Chapter 62-620, F.A.C., at least 90 days before construction of any planned substantial modifications to the permitted facility is to commence or with Rule 62-620.325(2), F.A.C., for minor modifications to the permitted facility. A revised permit shall be obtained before construction begins except as provided in Rule 62-620.300, F.A.C. [62-620.610(16)]
 17. The permittee shall give advance notice to the Department of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements. The permittee shall be responsible for any and all damages which may result from the changes and may be subject to enforcement action by the Department for penalties or revocation of this permit. The notice shall include the following information:
 - a. A description of the anticipated noncompliance;
 - b. The period of the anticipated noncompliance, including dates and times; and
 - c. Steps being taken to prevent future occurrence of the noncompliance.[62-620.610(17)]
 18. Sampling and monitoring data shall be collected and analyzed in accordance with Rule 62-4.246 and Chapters 62-160, 62-601, and 62-610, F.A.C., and 40 CFR 136, as appropriate.

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- a. Monitoring results shall be reported at the intervals specified elsewhere in this permit and shall be reported on a Discharge Monitoring Report (DMR), DEP Form 62-620.910(10), or as specified elsewhere in the permit.
- b. If the permittee monitors any contaminant more frequently than required by the permit, using Department approved test procedures, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the DMR.
- c. Calculations for all limitations which require averaging of measurements shall use an arithmetic mean unless otherwise specified in this permit.
- d. Except as specifically provided in Rule 62-160.300, F.A.C., any laboratory test required by this permit shall be performed by a laboratory that has been certified by the Department of Health Environmental Laboratory Certification Program (DOH ELCP). Such certification shall be for the matrix, test method and analyte(s) being measured to comply with this permit. For domestic wastewater facilities, testing for parameters listed in Rule 62-160.300(4), F.A.C., shall be conducted under the direction of a certified operator.
- e. Field activities including on-site tests and sample collection shall follow the applicable standard operating procedures described in DEP-SOP-001/01 adopted by reference in Chapter 62-160, F.A.C.
- f. Alternate field procedures and laboratory methods may be used where they have been approved in accordance with Rules 62-160.220, and 62-160.330, F.A.C.

[62-620.610(18)]

19. Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule detailed elsewhere in this permit shall be submitted no later than 14 days following each schedule date. *[62-620.610(19)]*
20. The permittee shall report to the Department's Northeast District Office any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within five days of the time the permittee becomes aware of the circumstances. The written submission shall contain: a description of the noncompliance and its cause; the period of noncompliance including exact dates and time, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.
 - a. The following shall be included as information which must be reported within 24 hours under this condition:
 - (1) Any unanticipated bypass which causes any reclaimed water or effluent to exceed any permit limitation or results in an unpermitted discharge,
 - (2) Any upset which causes any reclaimed water or the effluent to exceed any limitation in the permit,
 - (3) Violation of a maximum daily discharge limitation for any of the pollutants specifically listed in the permit for such notice, and
 - (4) Any unauthorized discharge to surface or ground waters.
 - b. Oral reports as required by this subsection shall be provided as follows:
 - (1) For unauthorized releases or spills of treated or untreated wastewater reported pursuant to subparagraph (a)⁴. that are in excess of 1,000 gallons per incident, or where information indicates that public health or the environment will be endangered, oral reports shall be provided to the STATE WARNING POINT TOLL FREE NUMBER (800) 320-0519, as soon as practical, but no later than 24 hours from the time the permittee becomes aware of the discharge. The permittee, to the extent known, shall provide the following information to the State Warning Point:

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- (a) Name, address, and telephone number of person reporting;
 - (b) Name, address, and telephone number of permittee or responsible person for the discharge;
 - (c) Date and time of the discharge and status of discharge (ongoing or ceased);
 - (d) Characteristics of the wastewater spilled or released (untreated or treated, industrial or domestic wastewater);
 - (e) Estimated amount of the discharge;
 - (f) Location or address of the discharge;
 - (g) Source and cause of the discharge;
 - (h) Whether the discharge was contained on-site, and cleanup actions taken to date;
 - (i) Description of area affected by the discharge, including name of water body affected, if any; and
 - (j) Other persons or agencies contacted.
- (2) Oral reports, not otherwise required to be provided pursuant to subparagraph b.1 above, shall be provided to the Department's Northeast District District Office within 24 hours from the time the permittee becomes aware of the circumstances.
- c. If the oral report has been received within 24 hours, the noncompliance has been corrected, and the noncompliance did not endanger health or the environment, the Department's Northeast District District Office shall waive the written report.

[62-620.610(20)]

21. The permittee shall report all instances of noncompliance not reported under Permit Conditions IX.17., IX.18., or IX.19. of this permit at the time monitoring reports are submitted. This report shall contain the same information required by Permit Condition IX.20. of this permit. [62-620.610(21)]
22. Bypass Provisions.
- a. "Bypass" means the intentional diversion of waste streams from any portion of a treatment works.
 - b. Bypass is prohibited, and the Department may take enforcement action against a permittee for bypass, unless the permittee affirmatively demonstrates that:
 - (1) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage; and
 - (2) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and
 - (3) The permittee submitted notices as required under Permit Condition IX.22.b. of this permit.
 - c. If the permittee knows in advance of the need for a bypass, it shall submit prior notice to the Department, if possible at least 10 days before the date of the bypass. The permittee shall submit notice of an unanticipated bypass within 24 hours of learning about the bypass as required in Permit Condition IX.20. of this permit. A notice shall include a description of the bypass and its cause; the period of the bypass, including exact dates and times; if the bypass has not been corrected, the anticipated time it is expected to continue; and the steps taken or planned to reduce, eliminate, and prevent recurrence of the bypass.
 - d. The Department shall approve an anticipated bypass, after considering its adverse effect, if the permittee demonstrates that it will meet the three conditions listed in Permit Condition IX.22.b.1. through 3. of this permit.
 - e. A permittee may allow any bypass to occur which does not cause reclaimed water or effluent limitations to be exceeded if it is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of Permit Condition IX.22.a. through c. of this permit.

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[62-620.610(22)]

23. Upset Provisions.

- a. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based effluent limitations because of factors beyond the reasonable control of the permittee.
- (1) An upset does not include noncompliance caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, careless or improper operation.
 - (2) An upset constitutes an affirmative defense to an action brought for noncompliance with technology based permit effluent limitations if the requirements of upset provisions of Rule 62-620.610, F.A.C., are met.
- b. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed contemporaneous operating logs, or other relevant evidence that:
- (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
 - (2) The permitted facility was at the time being properly operated;
 - (3) The permittee submitted notice of the upset as required in Permit Condition IX.20. of this permit; and
 - (4) The permittee complied with any remedial measures required under Permit Condition IX.5. of this permit.
- c. In any enforcement proceeding, the burden of proof for establishing the occurrence of an upset rests with the permittee.
- d. Before an enforcement proceeding is instituted, no representation made during the Department review of a claim that noncompliance was caused by an upset is final agency action subject to judicial review.

[62-620.610(23)]

Executed in Jacksonville, Florida.

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

Katy Wiggins
Clerk Date

STATE OF FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION

Melissa M. Long

Melissa M. Long, P.E.
Program Administrator

DATE: January 10, 2011

EXHIBIT G

Aqua Utilities Florida, Inc
Materials and Supplies - 151010
May 2010 to Feb 2011
Aqua Florida

	May Actual FY10	Jun Actual FY10	Jul Actual FY10	Aug Actual FY10	Sep Actual FY10	Oct Actual FY10	Nov Actual FY10
151010.0000 - Plant Material-Meters	609,053.59	609,053.59	614,133.86	114,007.01	115,278.56	115,278.56	115,278.56

Dec Actual FY10	Jan Actual FY11	Feb Actual FY11
115,278.56	115,278.56	122,381.22