

State of Florida

**REDACTED**



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** March 13, 2015  
**TO:** Carlotta Stauffer, Commission Clerk, Office of Commission Clerk *BF ALM*  
**FROM:** Bart Fletcher, Chief of Surveillance & Rate Filings, Division of Accounting & Finance  
**RE:** Request for partial release of funds from Escrow Account (Docket No. 110200-WU, Application for increase in water rates in Franklin County by Water Management Services, Inc.)

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Pursuant to PAA Order No. PSC-12-0641-PCO-WU, issued December 4, 2012, in the above referenced docket, Water Management Services, Inc. (WMSI or Utility) has requested authorization for the partial release of escrow funds in the amount of \$80,676 held in Citizens State Bank, located at 2000 South Byron Butler Parkway, Perry, Florida.

Counsel for WMSI has represented that sufficient funds are available in the PAA escrow account to cover the requested withdrawal. Pursuant to the above referenced Order, staff recommends the Commission's designated agent in such matters authorize the release of \$80,676 from the PAA escrow account at Citizens State Bank payable to the Farmers & Merchants Bank for the loan specified in the attached documentation.

cc: Andrew Maurey  
Cheryl Bulecza-Banks  
Martha Barrera

Attachment

RECEIVED-FPSC  
15 MAR 13 AM 9:27  
COMMISSION  
CLERK



March 12, 2015

**VIA E-FILING**

Carlotta S. Stauffer, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RE: Docket No. 110200-WU; In re: Application for increase in water rates in Franklin County by Water Management Services, Inc./ Request for Escrow Withdrawal  
Our File No. 46023.01

Dear Ms. Stauffer:

Pursuant to PSC Order No. PSC-12-0641-PCO-WU, Water Management Services, Inc. ("WMSI") requests the Staff provide the Escrow Agent with written authorization to disburse \$80,676 from the Escrow Account to repay the construction loan with Farmers & Merchant Bank pursuant to the attached loan and payment documents. There are sufficient funds in the Escrow Account to make this payment.

Should you or Staff have any questions concerning this filing, please do not hesitate to give me a call.

Very truly yours,

MARTIN S. FRIEDMAN  
For the Firm

MSF/

cc: Gene Brown (via e-mail)  
Sandy Chase (via e-mail)  
Martha Barrera, Esquire (via e-mail)  
Erik Sayler, Esquire (via e-mail)  
Andrew Maurey (via e-mail)

## APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF 1

PAGES 2

## TO OWNER:

WATER MANAGEMENT SERVICES, INC  
139 W. GULF BEACH DRIVE  
ST. GEORGE ISLAND, FL 32328

PROJECT: ST. GEORGE ISLAND  
WATER SYSTEM  
IMPROVEMENTS

APPLICATION NO: 4

Distribution to:

OWNER  
 ARCHITECT  
 CONTRACTOR  
 FPSC

## FROM CONTRACTOR:

WITHER COASTAL MARINE CONSTRUCTION, INC  
P.O. BOX 908  
PANACEA, FL 32346

VIA ARCHITECT: LES THOMAS, P.E.

PERIOD TO:

October 13, 2014  
March 5, 2015

PROJECT NOS: 2014 - 3

CONTRACT DATE: January 15, 2014

ST. GEORGE ISLAND WATER SYSTEM IMPROVEMENTS

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	2,801,599.00
2. Net change by Change Orders	\$	295,655.70
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	3,097,254.70
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	418,145.00
5. RETAINAGE:		
a. 10 % of Completed Work (Column D + E on G703)	\$	41,814.30
b. % of Stored Material (Column F on G703)	\$	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	41,814.30
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	376,330.70
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	295,654.70
8. CURRENT PAYMENT DUE	\$	80,676.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	2,720,524.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total approved this Month	\$295,655.70	\$0.00
TOTALS	\$295,655.70	\$0.00
NET CHANGES by Change Order	\$295,655.70	\$0.00

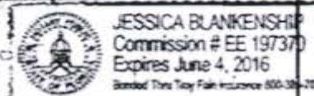
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Withers Coastal Marine Construction, Inc

By: Ben Withers, as its President

Date: 3/9/2015

State of Florida  
Subscribed and sworn to before me this 9th day of March, 2015  
Notary Public: Jessica Blankenship  
My Commission expires: June 4, 2016



## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ 80,676.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: Jessica Blankenship

Date: 3/5/15

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - 01962

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE. N.W., WASHINGTON, DC 20006-5292

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

Note: Items in RED FONT are automatically calculated from the G703 form or from items within this G702 Form. Do NOT hand enter these items on this sheet.

# CONTINUATION SHEET

ALA DOCUMENT G703

PAGE 2 OF 2 PAGES

ALA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

APPLICATION NO: 4

APPLICATION DATE: 3/6/2015

PERIOD TO: 10/26/14-3/6/15

ARCHITECT'S PROJECT NO: 2011-113

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H % (G ÷ C)	I BALANCE TO FINISH (C - G)	J RETAINAGE (IF VARIABLE RATE)
			D FROM PREVIOUS APPLICATION (D + E)	E THIS PERIOD					
6.e.	267' of 6" PVC distribution main, incl. Valves, Fittings, etc	\$9,980.00	\$9,980.00	\$0.00	\$0.00	\$9,980.00	100.00%	\$0.00	\$998.00
6.f.	1996' of 8" PVC distribution main, incl. Valves, Fittings, etc	\$83,832.00	\$83,832.00	\$0.00	\$0.00	\$83,832.00	100.00%	\$0.00	\$8,383.00
6.d.	5250' of 8" PVC distribution main, incl. Valves, Fittings, etc	\$220,920.00	\$77,280.00	\$0.00	\$0.00	\$77,280.00	34.98%	\$143,640.00	\$7,728.00
6.b.	660' of 6" PVC distribution main, incl. Valves, Fittings, etc	\$8,960.00	\$8,960.00	\$0.00	\$0.00	\$8,960.00	100.00%	\$0.00	\$896.00
2.i.	Sitework and plant piping, valves, meters	\$102,279.00	\$49,093.00	\$0.00	\$0.00	\$49,093.00	48.00%	\$53,186.00	\$4,909.30
6.g.	3500' of 10" PVC distribution main, incl. Valve	\$189,000.00	\$99,360.00	\$89,640.00	\$0.00	\$189,000.00	100.00%	\$0.00	\$18,900.00
GRAND TOTALS		\$614,971.00	\$328,505.00	\$89,640.00	\$0.00	\$418,145.00		\$196,826.00	\$41,814.30

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

## RECEIPT OF PAYMENT AND RELEASE OF LIEN


Withers Coastal Marine Construction, Inc. hereby acknowledges receipt of progress payment number 4 in the amount of Eighty Thousand, Six Hundred Seventy Six Dollars (\$80,676.00), and hereby waives and releases its lien and right to claim a lien for labor, services, or materials furnished through March 6, 2015 to Water Management Services, Inc. on the job of St. George Island water system improvements to the following property:

Any and all property owned by Water Management Services, Inc.  
on St. George Island, FL

This waiver and release does not cover any retention or labor, services, or materials furnished after March 6, 2015.

Dated this 9<sup>th</sup> day of March, 2015.

WITHERS COASTAL MARINE  
CONSTRUCTION, INC., a Florida corporation

By:   
Ben Withers, as its President

WATER MANAGEMENT SERVICES INC  
260 JOHN KNOX ROAD SUITE #4  
TALLAHASSEE, FL 32303

1635

March 13, 15

Date

PAY to the  
Order of

- Withers Coastal Marine Construction - \$ 80676

- Eighty thousand six hundred seventy six and <sup>00</sup>/<sub>100</sub> Dollars



Farmers & Merchants Bank  
3320 Thomasville Road  
Tallahassee, Florida 32308  
www.fmbbank.com

For

4th draw - 50% impromts

*[Signature]*

WATER MANAGEMENT SERVICES, INC. 250 JOHN KNOX ROAD #4 TALLAHASSEE, FL 32303	FARMERS & MERCHANTS BANK HWLS #64056 P.O. BOX 340 MONTICELLO, IL 62345	TW 99-2449217 Loan Number 8202276-01 Date 03/13/2015 Maturity Date 03/20/2015 Loan Amount \$ 81,210.55 Renewal Of OFFICER DEWEN
BORROWER'S NAME AND ADDRESS <small>"You" includes each borrower alone, jointly and severally.</small>	LENDER'S NAME AND ADDRESS <small>"You" means the lender, its successors and assigns.</small>	

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of EIGHTY ONE THOUSAND TWO HUNDRED TEN AND 55/100 Dollars \$ 81,210.55

Single Advance: I will receive all of this principal sum on 03/13/2015. No additional advances are contemplated under this note.  
 Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On \_\_\_\_\_ I will receive the amount of \$ \_\_\_\_\_ and future principal advances are contemplated.

Conditions: The conditions for future advances are \_\_\_\_\_

Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on \_\_\_\_\_

Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions)

INTEREST: I agree to pay interest on the outstanding principal balance from 03/13/2015 at the rate of 6.750 % per year until 03/20/2015

Variable Rate: This rate may then change as stated below:  
 Index Rate: The future rate will be \_\_\_\_\_ the following index rate \_\_\_\_\_

No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

Frequency and Timing: The rate on this note may change as often as \_\_\_\_\_ A change in the interest rate will take effect \_\_\_\_\_

Limitations: During the term of this loan, the applicable annual interest rate will not be more than \_\_\_\_\_ % or less than \_\_\_\_\_ % The rate may not change more than \_\_\_\_\_ % each \_\_\_\_\_

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:  
 The amount of each scheduled payment will change.  The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/360 basis

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:  
 on the same fixed or variable rate basis in effect before maturity (as indicated above)  
 at a rate equal to 12%

LATE CHARGE: If a payment is made more than 10 days after it is due, I agree to pay a late charge of 5.00% OF THE PAYMENT AMOUNT OF PRINCIPAL AND INTEREST WITH A MAX OF \$100.00

ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which  are  are not included in the principal amount above

PAYMENTS: I agree to pay this note as follows:  
 ON DEMAND BUT IF NO DEMAND IS MADE THEN I PAYMENT OF \$81,300.24 ON 03/20/2015

ADDITIONAL TERMS

SECURITY: This note is separately secured by (describe separate document by type and date): SECURITY AGREEMENT DATED 03/13/2015

PURPOSE: The purpose of this loan is BUSINESS FOR CONSTRUCTION

USE: \_\_\_\_\_

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE INCLUDING THOSE ON PAGE 21. I have received a copy on today's date.

Signature for Lender: \_\_\_\_\_  
 DON E. MAT, SENIOR VICE PRESIDENT/CITY EXECUTIVE TALLAHASSEE, HWLS #662623

Signature for Borrower: \_\_\_\_\_  
 WATER MANAGEMENT SERVICES, INC.  
 DON U. BROWN, PRESIDENT





DEBTOR NAME AND ADDRESS	SECURED PARTY NAME AND ADDRESS
BROWN MANAGEMENT GROUP, INC. 250 JOHN KENDR ROAD #4 TALLAHASSEE, FL 32303	FARMERS & MERCHANTS BANK SMUS #164088 P.O. BOX 340 MONTICELLO, FL 32345
Type <input type="checkbox"/> individual <input type="checkbox"/> partnership <input checked="" type="checkbox"/> corporation _____ State of organization/registration (if applicable) <u>FL</u> _____ <input type="checkbox"/> If checked, refer to addendum for additional Debtors and signatures	

**COMMERCIAL SECURITY AGREEMENT**

The date of this Commercial Security Agreement (Agreement) is 02-22-2015.  
SECURED DEBTS: This Agreement will secure all sums advanced by Secured Party under the terms of this Agreement and the payment and performance of the following described Secured Debts that (check one)  Debts  WATER MANAGEMENT SERVICES, INC.

(Borrower) owes to Secured Party

- Specific Debts. The following debts and all extensions, renewals, refinancings, modifications, and replacements (describe):  
A LOAN DATED 04/13/2015, WITH AMOUNT OF 181,210.55

All Debts. All present and future debts, even if this Agreement is not referenced, the debts are also secured by other collateral, or the future debt is unrelated to or of a different type than the current debt. Nothing in this Agreement is a commitment to make future loans or advances.  
**SECURITY INTEREST.** To secure the payment and performance of the Secured Debts, Debtor gives Secured Party a security interest in all of the Property described in this Agreement that Debtor owns or has sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products of the Property. "Property" includes all parts, accessories, repairs, replacements, improvements, and accessions to the Property; any original evidence of title or ownership, and all obligations that support the payment or performance of the Property. "Proceeds" includes anything acquired upon the sale, lease, license, exchange, or other disposition of the Property, any rights and claims arising from the Property; and any collections and distributions on account of the Property. This Agreement remains in effect until terminated in writing, even if the Secured Debts are paid and Secured Party is no longer obligated to advance funds to Debtor or Borrower.

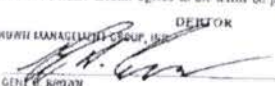
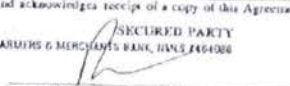
**PROPERTY DESCRIPTION.** The Property is described as follows:

- Accounts and Other Rights to Payments: All rights to payment, whether or not earned by performance, including, but not limited to, payment for property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) which Debtor may have by law or agreement against any account debtor or obligor of Debtor.
- Inventory: All inventory held for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in Debtor's business.
- Equipment: All equipment including, but not limited to, machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and record keeping equipment, parts, and tools. The Property includes any equipment described in a list or schedule Debtor gives to Secured Party, but such a list is not necessary to create a valid security interest in all of Debtor's equipment.
- Instruments and Chattel Paper: All instruments, including negotiable instruments and promissory notes and any other writings or records that evidence the right to payment of a monetary obligation, and tangible and electronic chattel paper.
- General Intangibles: All general intangibles including, but not limited to, tax refunds, patents and applications for patents, copyrights, trademarks, trade secrets, goodwill, trade names, customer lists, permits and franchises, payment intangibles, computer programs and all supporting information provided in connection with a transaction relating to computer programs, and the right to use Debtor's name.
- Documents: All documents of title including, but not limited to, bills of lading, dock warrants and receipts, and warehouse receipts.
- Farm Products and Supplies: All farm products including, but not limited to, all poultry and livestock and their young, along with their produce, products, and replacements; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and other supplies used or produced in Debtor's farming operations.
- Government Payments and Programs: All payments, accounts, general intangibles, and benefits including, but not limited to, payments in kind, deficiency payments, letters of credit, warehouse receipts, storage payments, emergency assistance and diversion payments, production flexibility contracts, and conservation reserve payments under any preexisting, current or future federal or state government program.
- Investment Property: All investment property including, but not limited to, certificated securities, uncertificated securities, securities entitlements, securities accounts, commodity contracts, commodity accounts, and financial assets.
- Deposit Accounts: All deposit accounts including, but not limited to, demand, time, savings, passbook, and similar accounts.
- Specific Property Description: The Property includes, but is not limited by, the following (if required, provide real estate description):

THIS LOAN IS SECURED BY A FARMERS AND MERCHANTS BANK MONEY MARKET ACCOUNT #308812 16, IN THE NAME OF BROWN MANAGEMENT GROUP, INC., WITH A FULL LOAN BALANCE FROM PLACID UNIT, LOAN PAYS OFF IN FULL.

PLEDGED AS COLLATERAL AND ALL SUBSEQUENT RENEWALS OR REPLACEMENTS THEREOF DURING THE TERM OF THIS LOAN.

USE OF PROPERTY. The Property will be used for  personal  business  agricultural \_\_\_\_\_ purposes

SIGNATURES. Debtor agrees to the terms on pages 1 and 2 of this Agreement and acknowledges receipt of a copy of this Agreement	
<p align="center">DEBTOR</p> <p>BROWN MANAGEMENT GROUP, INC.  GENE W. BROWN</p>	<p align="center">SECURED PARTY</p> <p>FARMERS &amp; MERCHANTS BANK, SMUS #164088  DUYL E. MAT SENIOR VICE PRESIDENT/VICE EXECUTIVE TALLAHASSEE, FL 32303</p>

