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May 7, 2015

Mr. Michael Wilson
Regional Manager
Labrador Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, Florida 32714-4027

Re.: Forest Lake Estates - Water Quality Study & Engineering Evaluation
GHS Proposal #: 15-115 Revised 5.6.15

Dear Mr. Wilson,

Gaydos Hydro Services (GHS) pleased to submit this proposal to conduct and prepare a report to ascertain and compare the quality of the existing groundwater versus the nearest potable water supply connection. This proposal is written for Labrador Utilities, Inc. (UTILITY). Based upon the results of the initial evaluation, GHS and Stroud Engineering (TEAM) will provide recommendations for water treatment infrastructure improvements to improve the secondary drinking water quality parameters of color, taste, and odor within the UTILITY's distribution system.

The Environmental Protection Agency (EPA) has established National Secondary Drinking Water Regulations (NSDWR) that set non-mandatory water quality standards for 15 contaminants. These secondary standards are established only as guidelines for managing water systems for aesthetic considerations and are not considered a risk to human health. The Forest Lake Estates water system has a design capacity of 288,000 gallons per day (GPD) and includes two wells, a 34,000 gallon ground storage tank, chlorination disinfection, and pump station to service the Forest Lake Estates community. The water system recommendations will be geared to meet the requirements as set forth in the Florida Department of Environmental Protection's (FDEP) Chapter 62-555, F.A.C.

The TEAM will evaluate the UTILITY's existing water piping, treatment, and pumping system; review water quality analysis; identify potential technologies and treatment options to optimize the targeted secondary water quality constituents; develop budget costs for those treatment options; and recommend appropriate actions for consideration and approval by the UTILITY. Specific emphasis will be placed on the integration and full utilization of the existing facilities.

The tasks to accomplish this endeavor are provided below.

Proposed Tasks

Task 1-1: Kick Off Meeting
Stroud Engineering has not been to the site. The TEAM will conduct a project kickoff meeting with representatives of the UTILITY at Forest Lake Estates to review the proposed Scope of Services, project team roles and responsibilities, lines of communication, list of deliverables, information needs, project schedule, and other information pertinent to the completion of this project. GHS will prepare and distribute minutes of this meeting.

Task 1-2: Water Quality and Water Use Data Collection and Review
GHS staff will collect and review all pertinent information and data regarding the hydrogeology, well construction, permit information, and groundwater quality of the Forest Lake Estates water system. GHS will be provided all available file data information regarding this system, which

includes water quality data for the entire history of usage if available, well construction data, groundwater pumpage records, and all other necessary documentation. GHS will contact the City of Zephyrhills to obtain historical and recent water quality records. We do not guarantee that the City will provide this information. If not provided by the City, we will search public sources of information, such as the database from the Southwest Florida Water Management District. Water (SWFWMD) and the FDEP. Water quality will be compared between the two source waters to Primary, Secondary, SOC, VOC, Bacteriological, and Radionuclides water standards.

Task 1-3: Water System Data Collection and Review

The TEAM will collect system data from the UTILITY of hard copy and digital copies of design plans, reports, studies, records, maps, and other relevant data concerning the existing water treatment and distribution system. The TEAM will review the acquired plans, specifications, record drawings, system maps, etc. for the water treatment facilities and perform one site visit in order to further our understanding of the existing facilities. The information obtained from the documents and site investigation will be useful in the determination of interconnection points, pipe sizes, treatment component locations, and other hydraulically significant features that might potentially impact the evaluation. The design flow data will be evaluated with respect to proper sizing of the required future improvements.

Task 2: Water Sampling & Testing by AEL Laboratory

It was communicated that the UTILITY contracts with Advanced Environmental Laboratory for all water quality analyses. Upon the water quality evaluation, GHS will discuss with the UTILITY the parameters selected by the TEAM and discuss laboratory costs. The TEAM will supervise the collection of samples for laboratory analysis by AEL for specific species analysis if found necessary to determine treatment methodology best suited for the UTILITY's objectives.

Task 3-1: Water Quality and Water Use Data Analysis

The TEAM will analyze the sample testing results and provide specific recommendations to address any water quality issues that might be impacting the system and or be perceived by residents.

Task 3-2: Water System Alternatives Analysis

During this phase of the work, several reasonable alternatives will be developed and considered as potential solutions to the previously identified needs. The TEAM will meet and collaborate closely with the UTILITY on the alternatives being considered. The following information for each alternative will be developed:

- Description of up to four (4) treatment system alternatives;
- Design criteria to be used in the evaluation process;
- Constructability issues which may affect the cost of construction and annual operating expense for each alternative;
- Regulatory, environmental, and permitting issues, concerns, and requirements; and
- Advantages and disadvantages of each specific alternative, including the ability of each to meet the UTILITY's objectives.

Task 4: Summary Letter Report & HOA Meeting

GHS will provide a summary report along with all data compiled for the report to the UTILITY, then meet with the UTILITY staff to present the report and to discuss the TEAM's findings that address water quality issues. The letter report of the water system evaluation will include recommendations for improvements or additions to the water system. Upon completion of the alternatives analyses, recommended alternatives will be developed and described to the UTILITY, including the anticipated budget costs associated with each alternative. This letter report will be

signed and sealed by Stroud Engineering. The TEAM will coordinate with the UTILITY to prepare a short presentation summarizing our findings and recommendations at one Four Lakes Estates Home Owner's Association meeting.

Exclusions and Condition

The following exclusions and conditions apply to the Proposal, fee estimate, and schedule:

1. Survey services are not included in this Scope of Work. It is assumed the system data will be provided by the UTILITY.
2. Water quality testing by AEL is to be paid for by the UTILITY.
3. To minimize the cost of this work effort, detailed cost analyses of the system improvement alternatives are not included in this Scope of Work. Budget level costs will be provided.
4. The estimated fees are based upon our current understanding of the project needs.

Estimated Project Costs

The nature of the scope of work proposed for this project requires that we price and invoice the work on a lump sum basis. The budget amounts given here are to be considered "not-to-exceed" estimated costs, beyond which we will not proceed without obtaining your approval. The TEAM will notify the UTILITY if the fees required to complete additional tasks requested by the UTILITY that are not provided in the Proposal. The following table summarizes the proposed tasks and costs.

Task Description	Total
Task 1-1* Kick Off Meeting	$650
Task 1-2 Water Quality/Water Use Data Collection & Review	$975
Task 1-3* Water System Data Collection & Review	$2,000
Task 2-2 Sample Collection & Testing - GHS	$600
Task 3-1 Sample Collection & Testing - AEL	$350
Task 3-1 Water Quality and Water Use Data Analysis	$600
Task 3-2* Water System Alternatives Analysis	$2,700
Task 4** Summary Letter Report	$2,125
GRAND TOTAL	**$10,000**

* - Additional tasks.
** - Includes original cost of $1,025 plus engineering costs.

Estimated Project Schedule

GHS can begin collecting and reviewing acquired data immediately. Upon obtaining all final documentation from the UTILITY, GHS will have all data reviewed and summarized in two weeks. GHS will conduct the sampling, if necessary, following the data review. The laboratory analysis takes two additional weeks. GHS will have our summary report with analysis and conclusions within two weeks of receiving the water quality data from the laboratory.

GHS LLC

Closing Comments

We thank you for allowing Gaydos Hydro Services to provide our services and greatly appreciate the opportunity to submit this proposal to you for consideration. Please do not hesitate to call us at (727) 667-6786 with any questions you might have concerning this proposal. If you wish to modify this proposal, GHS will readily tailor it to address your unique needs. If this proposal meets with your approval, GHS would appreciate you indicating your acceptance by signing this page where indicated, and returning the signed copy to us or email it to dana@gaydoshydroservices.com. In closing, we appreciate being asked to provide assistance and look forward to working with you.

Sincerely yours,
Gaydos Hydro Services, LLC

Dana J. Gaydos
Sr. Environmental Scientist

Douglas L. Crowson
PG-1773

Accepted by:

Signature

5/13/15
Date