

Holland & Knight

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March 4, 2020

Via E-Mail

Dylan Andrews
Public Utilities Analyst II
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket 20190118-WU -- Application for increase in water rates in Gulf
County by Lighthouse Utilities Company, Inc.

Dear Mr. Andrews:

Lighthouse Utilities Company, Inc. (the "Utility") respectfully submits its response to Staff's fourth data requests dated February 17, 2020 ("Data Requests"). For ease of reference, the Data Requests are repeated verbatim herein, with the Utility's response immediately following each item.

1. In response to Staff's Third Data Request, No. 2, Lighthouse provided an itemized list of expenses charged by Roberson & Associates, P.A. in regards to invoice PSJ20-0004, dated 12/31/2019. Using this list, please identify all expenses charged by Roberson & Associates, P.A. between August 8, 2019, (date of initial MFR deficiency notice) and November 4, 2019, (date that MFRs were satisfied) that pertain specifically to MFR deficiencies.

Response: See **Attachment 1**.

2. In the Utility's response to Audit Finding 2, the Utility referenced an early retirement of a booster station. Was there any salvage value or cost of removal associated with this asset? If so, what were these amounts?

Response: The Utility's reference to the booster station being retired was an inadvertent mischaracterization. Because there was not enough water at this time to serve the booster station, the station was taken out of service but not retired. It has not been removed from the Utility property, thus there has been no cost of removal and salvage value should not be an issue.

3. Please refer to Lighthouse's response to Staff's Third Data Request, No. 8.
 - a. Please provide all documentation associated with the loans secured from the Utility's shareholders.
 - b. Are the loans secured from the Utility's shareholders sufficient to cover all costs associated with the proposed pro forma projects?
 - c. If not, how is the Utility going to fund all the proposed pro forma projects?

Response:

- a. Regarding loans for the proposed pro forma project, as described in detail in subsection c. below, agreements with the Utility's shareholders have not been formalized, as the Utility is still seeking funding from commercial lenders. All documentation for past loans has been previously provided.
- b. The Utility has reached verbal agreements with certain of its directors and shareholders that, if necessary, for these individuals to provide loans sufficient to cover all costs associated with the proposed pro forma projects. However, as explained in subsection c. below, the Utility is continuing to evaluate other cost-efficient means of funding the pro forma projects.
- c. The Utility has made diligent efforts to secure low interest financing from the State Revolving Fund Loan Program for Drinking Water Facilities (SRF), which is administered by the Florida Department of Environmental Protection (FDEP). During initial discussions, FDEP representatives provided assurances that the Utility's project appeared to be eligible for SRF loans with commercially reasonable terms. Later, after the Utility had filed its loan application, FDEP advised the Utility and its consultants that not only would the Utility have to pledge revenue to service the debt in a restricted account, under Rule 62-552.430, Florida Administrative Code the Utility also would have to post real property collateral having an appraised market value not less than 125% of the total of both the dollar amount owed on the property and the dollar amount of the SRF loan principal itself. Because it was not possible for the Utility to meet that collateral requirement, the Utility sought to have FDEP waive or reduce the requirement. Unfortunately, that request was rejected on the grounds that FDEP had no such discretion to alter the terms of the loan as the SRF is a federally funded program. Because the low interest financing through the SRF is not a commercially viable option, the Utility has diligently pursued other financing options including seeking funding from commercial lenders. In fact, the Utility currently is in active discussions with the following commercial lenders: including Capital City Bank, CommerceOne Bank, Oakworth Capital Bank, and ServisFirst Bank. The Utility believes these discussions will lead to a commercially reasonable loan that will

provide the necessary funding for all the proposed pro forma projects. As stated above, should such loans from commercial lenders prove to be unavailable or uneconomic, the Utility will be able to secure all necessary funds through loans from its directors and shareholders.

4. In response to Staff's Third Data Request, No. 9 the Utility stated that the \$3,750 in expenses for "cellular tower lease review," is a monthly retainer paid to a law firm. Is the retainer associated with the "cellular tower lease review?" If so, please explain how this relates to the Utility's operations.

Response: The phrase "cell tower lease review" was a mischaracterization in the description of services. The Utility provides a monthly retainer to the law firm for standard legal services related to the Utility's commercial operations.

5. According to the Utility's general ledger, there was a monthly purchased power expense to Duke Energy for "Total ofc electric." Was this expense for electricity for the shared office? If so, please explain why this expense should not be allocated with the other business in the office?

Response: Office electricity is shared 50% by the Utility and 50% by Gulf Coast Real Estate Group. During the test year there were two office sites -- 406 Marina Drive and 149 Commerce Boulevard-- as the Utility was forced to move offices after Hurricane Michael. Purchased power is for three well sites, and is solely for the Utility. Please find in **Attachment 2** the full year cost of office electricity for 2018, the full year cost for purchased power in 2018, and one electricity bill to show how the electricity costs are divided between the Utility and Gulf Coast Real Estate Group.

6. In the Utility's last rate case, James McArdle was contracted as the operator of the Utility for \$10,400 annually. Presently, he is salaried by the Utility as the operator for \$57,696 annually. Please explain the Utility's justification for creating the salaried-position.

Response: At the time of the Utility's last rate case, Mr. McArdle was on staff in a consultant role only. Since that time, the Utility has terminated its previous operator and hired Mr. McArdle to fill that vacant operator position. Mr. McArdle is highly qualified and has been licensed and certified to operate domestic water plants by the Florida Department of Environmental Protection. His salary is competitive for similarly qualified individuals in his position.

7. The following items relate to the employee positions of Thomas Dixon, Maintenance Tech/Meter Reader, and Matthew Pope, Assistant to Maintenance Tech/Meter Reader, Operator, and President.
 - a. Please provide the hourly rate for each position.
 - b. Not including overtime related to Hurricane Michael, Mr. Pope's salaries

and wages expense exceed Mr. Dixon's by nearly \$7,000, despite being considered an Assistant. Please explain the difference in salary levels.

Response:

- a. See **Attachment 3**.
- b. The salary and wage differential is driven by the fact that Mr. Pope has an operator's license and Mr. Dixon does not. Furthermore, Mr. Pope is being trained to be Mr. McArdle's replacement when Mr. McArdle retires. While Mr. Pope's title is "assistant," his duties far exceed those typical of an "assistant" at the Utility. Mr. Pope is competitively compensated according to his certifications and job requirements.

8. Please provide justification for not allocating the expense for the President's health insurance, given that he splits his time with another business.

Response: Mr. Rish's employment as President of the Utility is a full-time job, and Mr. Rish spends 40 hours a week, or more, on Utility business. Consistent with industry practice, health insurance is a legitimate part of Mr. Rish's overall compensation package as President of the Utility. Thus, it is appropriate for Mr. Rish's health insurance expense to be allocated solely to the Utility.

9. Please refer to Lighthouse's response to Staff's First Data Request, No. 18c.

- a. Have plans and/or permit applications for the treatment option to address the disinfection byproducts exceedances been submitted to the Florida Department of Environmental Protection (DEP)? If so, when were the plans/permit applications submitted to DEP?
- b. If not, when does the Utility anticipate that the plans and/or permit applications will be submitted to the DEP?

Response: The plans and permit application were submitted to DEP on January 14, 2020. Please find supporting documentation appended as **Attachment 4**.

10. Please refer to Lighthouse's response to Staff's Second Data Request, No. 11. Is the Utility still on track for funding to be secured in the first quarter of 2020 with construction beginning shortly thereafter? If not, when does the Utility anticipate funding will be secured and construction will begin?

Response: The Utility still anticipates securing funding in the first quarter of 2020, provided of course that any such funding will be dependent on the Florida Public Service Commission approving rates at a level that will enable the Utility to service the debt. The Utility expects design, permitting, and construction to begin shortly after funding is secured.

11. Please refer to Lighthouse's response to Staff's Second Data Request, No. 12, and Lighthouse's response to Staff's First Data Request, No. 16a, Attachment 11.

- a. Is the Utility still anticipating that substantial portions of the improvement project will be completed and in service by December 31, 2020?
- b. If so, please identify which improvements listed on Attachment 11 will have been completed by December 31, 2020.
- c. When does the Utility anticipate the remaining improvements will be completed?

Response:

- a. The Utility initially sought a limited rate case proceeding, as it was planning to harden its infrastructure against potential hurricane damage. Unfortunately, two weeks after it began this process, Hurricane Michael struck the area causing massive destruction in and around the Utility's service area. In light of this destruction from the hurricane, and after discussions with Staff, the Utility recognized a limited proceeding was no longer the most appropriate avenue to seek rate relief, and instead had to begin anew and filed the application for general rate relief in this matter. While the test year is the same for both the original limited proceeding and the current proceeding, the Utility has been significantly hampered in its efforts to develop the projects due to their sequential nature. For example, in the aftermath of Hurricane Michael, labor and construction costs were extremely high, available workforces low, and funding difficult to obtain. Additionally, improvement projects took a backseat to ensuring all customers were again being serviced. As such, while the Utility anticipates many portions of the improvement project will be completed by December 31, 2020, the Utility recognizes that certain components of the project will have to be completed after this date.
- b. As shown on **Attachment 5**, based upon current estimates, the Utility anticipates that all LUCI III improvements will be completed by December 31, 2020. Additionally, the Utility anticipates that LUCI I improvements such as demolition of equipment, installation of a new 8" well, and installation of a new mixer/sprayer/fan system will be completed by that date. The new mixer/sprayer/fan system at LUCI II is also anticipated to be installed by December 31, 2020.
- c. As shown on **Attachment 5**, based upon current estimates, the Utility anticipates all remaining improvements will be completed during the second quarter of 2021.

12. In reference to the Lighthouse customer meeting held on January 23, 2020, please list any follow up action taken by the Utility to address the comments made by

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each customer who spoke at the meeting.

Response: Mr. Rish met with multiple customers who voiced comments at the customer meeting. Mr. Rish discussed with these individuals the status of the project, the purpose of the project, and their issues with respect to water pressure. Mr. Rish went out of his way to have a personal interaction and speak directly with these customers, as he wanted to ensure every customer's voice was heard and questions answered.

13. Did Lighthouse have any insurance coverage at the time of Hurricane Michael?

- a. If so, please provide the amount of insurance proceeds received to date to cover damages from Hurricane Michael and all support documentation, including insurance claims.
- b. If not, please explain why the Utility did not have insurance coverage.

Response:

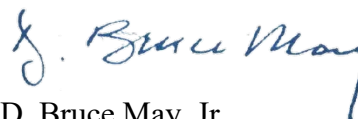
- a. Yes, at the time of Hurricane Michael, the Utility carried lightning, fire, and theft insurance on its pump houses and related facilities. The Utility promptly filed claims for hurricane-related damage but those claims were denied. See **Attachment 6**.
- b. Prior to Hurricane Michael, the Utility had looked into the financial feasibility of insuring its piping and assets against hurricane damage but determined such coverage was either not available or was not cost-effective. Instead, the Utility had determined the more cost-effective approach to managing hurricane risks was to harden its water system against storms, and in fact had initiated that storm-hardening project prior to Hurricane Michael.

* * *

Should you have any questions regarding the foregoing, please do not hesitate to contact me. Thank you for your consideration.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:kjg

Enclosures

cc: Jennifer Crawford, Esq.

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Kristen Simmons, Esq.
Andrew L. Maurey
Office of Commission Clerk
Patricia Christensen, Esq.
William J. Rish, Jr.

Attachment 1

Lighthouse Utilities Company
Roberson & Associates - Time Info

Name	Date	Note	Hours	Comments	Total Billable
Jacqueline Baptiste	4/25/2019		0.26	MFR Creation schedules	
	4/26/2019		0.50	MFR Creation schedules	
	5/8/2019		3.00	MFR Creation schedules	
	5/28/2019		2.00	MFR Creation schedules	
	6/18/2019		0.25	MFR Creation schedules	
	6/19/2019		0.33	MFR Creation schedules	
	6/20/2019		4.06	MFR Creation schedules	
	6/24/2019		8.99	MFR Creation schedules	
	6/25/2019		3.86	MFR Creation schedules	
	6/26/2019		1.44	MFR Creation schedules	
	8/12/2019	A	2.25	MFR Creation schedules	
	8/29/2019	A	0.76	MFR Creation schedules	
	Jacqueline Baptiste	Total Time		27.70	Hourly rate: \$120
Jennifer Byrd	2/18/2019		0.08	Adminstrative and clerical request	
	3/26/2019		0.22	Adminstrative and clerical request	
	4/25/2019		0.07	Adminstrative and clerical request	
	4/29/2019		0.41	Adminstrative and clerical request	
	5/22/2019		0.25	Adminstrative and clerical request	
	6/18/2019		0.58	Adminstrative and clerical request	
	6/20/2019		0.25	Adminstrative and clerical request	
	7/9/2019		0.50	Adminstrative and clerical request	
	7/9/2019		0.42	Adminstrative and clerical request	
	7/9/2019		0.42	Adminstrative and clerical request	
	7/10/2019		1.42	Adminstrative and clerical request	
	8/13/2019	A	0.39	Adminstrative and clerical request	
	8/14/2019	A	4.91	Adminstrative and clerical request	
	8/15/2019	A	2.89	Adminstrative and clerical request	
	8/16/2019	A	3.03	Adminstrative and clerical request	
	8/19/2019	A	0.56	Adminstrative and clerical request	
	8/19/2019	A	0.47	Adminstrative and clerical request	
Jennifer Byrd	Total Time		16.87	Hourly rate: \$60	1,012.20
Michael McKenzie	1/17/2018		1.00	MFR and FPSC Response	
	2/20/2018		6.00	MFR and FPSC Response	
	2/21/2018		5.00	MFR and FPSC Response	
	2/22/2018		4.00	MFR and FPSC Response	
	3/15/2018		1.00	MFR and FPSC Response	
	4/12/2018		2.00	MFR and FPSC Response	
	4/16/2018		1.00	MFR and FPSC Response	
	7/17/2018		2.00	MFR and FPSC Response	
	9/13/2018		3.00	MFR and FPSC Response	
	9/14/2018		1.00	MFR and FPSC Response	
	9/20/2018		6.50	MFR and FPSC Response	
	9/24/2018		6.00	MFR and FPSC Response	
	9/25/2018		2.00	MFR and FPSC Response	
	9/25/2018		1.50	MFR and FPSC Response	
	9/26/2018		0.75	MFR and FPSC Response	
	10/31/2018		3.00	MFR and FPSC Response	
	11/1/2018		1.00	MFR and FPSC Response	
11/26/2018		3.00	MFR and FPSC Response		
11/30/2018		2.00	MFR and FPSC Response		
3/7/2019		1.50	MFR and FPSC Response		

Lighthouse Utilities Company
Roberson & Associates - Time Info

<u>Name</u>	<u>Date</u>	<u>Note</u>	<u>Hours</u>	<u>Comments</u>	<u>Total Billable</u>
	4/16/2019		3.00	MFR and FPSC Response	
	6/3/2019		2.00	MFR and FPSC Response	
	6/5/2019		4.00	MFR and FPSC Response	
	6/18/2019		2.50	MFR and FPSC Response	
	6/24/2019		2.00	MFR and FPSC Response	
	6/26/2019		7.00	MFR and FPSC Response	
	7/2/2019		1.00	MFR and FPSC Response	
	7/3/2019		1.00	MFR and FPSC Response	
	7/5/2019		10.00	MFR and FPSC Response	
	7/6/2019		8.00	MFR and FPSC Response	
	7/7/2019		8.00	MFR and FPSC Response	
	7/8/2019		2.00	MFR and FPSC Response	
	7/9/2019		7.00	MFR and FPSC Response	
	7/25/2019		0.50	MFR and FPSC Response	
	8/12/2019	A	1.00	MFR and FPSC Response	
	8/21/2019	A	1.00	MFR and FPSC Response	
	8/22/2019	A	1.50	MFR and FPSC Response	
	8/23/2019	A	1.00	MFR and FPSC Response	
	9/5/2019	A	1.00	MFR and FPSC Response	
	9/6/2019	A	1.00	MFR and FPSC Response	
	9/9/2019	A	2.00	MFR and FPSC Response	
	9/11/2019	A	1.00	MFR and FPSC Response	
	9/12/2019	A	1.00	MFR and FPSC Response	
	9/13/2019	A	2.00	MFR and FPSC Response	
	9/17/2019	A	1.00	MFR and FPSC Response	
	9/19/2019	A	1.00	MFR and FPSC Response	
	9/23/2019	A	6.00	MFR and FPSC Response	
	9/25/2019	A	2.00	MFR and FPSC Response	
	9/26/2019	A	4.00	MFR and FPSC Response	
	9/27/2019	A	4.00	MFR and FPSC Response	
	9/30/2019	A	2.00	MFR and FPSC Response	
	10/23/2019	A	1.00	MFR and FPSC Response	
	10/24/2019	A	1.00	MFR and FPSC Response	
	10/28/2019	A	1.00	MFR and FPSC Response	
	11/6/2019		5.00	MFR and FPSC Response	
	11/13/2019		1.00	MFR and FPSC Response	
	11/14/2019		2.00	MFR and FPSC Response	
	11/15/2019		1.00	MFR and FPSC Response	
	11/20/2019		1.00	MFR and FPSC Response	
	11/21/2019		1.00	MFR and FPSC Response	
	12/3/2019		1.00	MFR and FPSC Response	
	12/9/2019		1.00	MFR and FPSC Response	
	12/10/2019		1.50	MFR and FPSC Response	
	12/11/2019		1.00	MFR and FPSC Response	
	12/12/2019		2.00	MFR and FPSC Response	
	12/18/2019		1.00	MFR and FPSC Response	
Michael McKenzie	Total Time		165.25	Hourly rate: \$120	19,830.00
Lawrence Chafin	10/23/2019	B	2.00	MFR and FPSC Response	
	10/28/2019	B	3.00	MFR and FPSC Response	
	10/29/2019	B	8.00	MFR and FPSC Response	
	10/30/2019	B	8.00	MFR and FPSC Response	

**Lighthouse Utilities Company
Roberson & Associates - Time Info**

<u>Name</u>	<u>Date</u>	<u>Note</u>	<u>Hours</u>	<u>Comments</u>	<u>Total Billable</u>
	11/6/2019		1.00	MFR and FPSC Response	
	11/14/2019		4.00	MFR and FPSC Response	
	11/15/2019		1.00	MFR and FPSC Response	
	11/20/2019		0.50	MFR and FPSC Response	
	11/25/2019		0.50	MFR and FPSC Response	
	12/2/2019		1.00	MFR and FPSC Response	
	12/3/2019		6.00	MFR and FPSC Response	
	12/4/2019		6.00	MFR and FPSC Response	
	12/5/2019		8.00	MFR and FPSC Response	
	12/6/2019		4.00	MFR and FPSC Response	
	12/9/2019		6.00	MFR and FPSC Response	
	12/10/2019		4.00	MFR and FPSC Response	
	12/12/2019		4.00	MFR and FPSC Response	
	12/17/2019		1.00	MFR and FPSC Response	
	12/18/2019		4.00	MFR and FPSC Response	
	12/30/2019		3.00	MFR and FPSC Response	
	12/31/2019		4.00	MFR and FPSC Response	
	Total Time		79.00	Hourly rate: \$120	9,480.00

Total Rate Case billable time above	33,646.20
Discount applied	-14% (4,816.20)
Amount billed for Rate Case activity through 12/31/2019:	<u>28,830.00</u>

Notes>

A & B - Time for period of 8/8/2019 - 11/4/2019	71.76	Billable time consolidated	7,876.20
Billable hours @ \$120	59.51	Rate \$120	7,141.20
Billable hours @ \$60	12.25	Rate \$60	735.00
 A - Time for period 8/8/2019 - 11/4/2019 related to MFR deficiencies	 50.76	 Billable time @ Rate \$120	 5,356.20

Attachment 2

Lighthouse Utilities Co Inc
Transaction Detail By Account
 January through December 2018

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
6390 - Utilities										
ofc electric										
Check	01/24/2018	5526 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	473.32		473.32
Check	02/22/2018	5570 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	451.05		924.37
Check	03/29/2018	5659 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	176.03		1,100.40
Check	04/20/2018	5697 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	203.81		1,304.21
Check	05/31/2018	5755 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	165.80		1,470.01
Check	06/26/2018	5820 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	245.03		1,715.04
Check	07/20/2018	5884 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	366.52		2,081.56
Check	08/22/2018	5951 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	340.14		2,421.70
Check	09/20/2018	6012 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	311.22		2,732.92
Check	10/24/2018	6062 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	333.74		3,066.66
Check	11/30/2018	6118 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	160.68		3,227.34
Check	12/27/2018	6199 ✓		Duke Energy	-MULTIPLE-		Capital City Ba...	18.60		3,245.94
Total ofc electric								3,245.94	0.00	3,245.94
Total 6390 - Utilities								3,245.94	0.00	3,245.94
TOTAL								3,245.94	0.00	3,245.94

2 sites

406 Marina Dr

149 Commerce Blvd Ste B

1:23 PM

02/21/20

Accrual Basis

Lighthouse Utilities Co Inc

Transaction Detail By Account

January through December 2018

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
6390 · Utilities										
6400 · 615.1-Purchased Power										
Check	01/05/2018	5481		D u k e Energy	-MULTIPLE-		Capital City Ba...	2,924.07		2,924.07
Check	01/31/2018	5542		D u k e Energy	-MULTIPLE-		Capital City Ba...	3,853.79		6,777.86
Check	02/28/2018	5605		D u k e Energy	-MULTIPLE-		Capital City Ba...	3,600.72		10,378.58
Check	04/04/2018	5673		D u k e Energy	-MULTIPLE-		Capital City Ba...	3,588.76		13,967.34
Check	04/30/2018	5735		D u k e Energy	-MULTIPLE-		Capital City Ba...	4,026.40		17,993.74
Check	05/30/2018	5771		D u k e Energy	-MULTIPLE-		Capital City Ba...	3,808.93		21,802.67
Check	07/06/2018	5863		D u k e Energy	-MULTIPLE-		Capital City Ba...	4,403.93		26,206.60
Check	08/14/2018	5945		D u k e Energy	-MULTIPLE-		Capital City Ba...	1,130.73		27,337.33
Check	08/22/2018	5958		D u k e Energy	-MULTIPLE-		Capital City Ba...	3,717.87		31,055.20
Check	09/04/2018	5988		D u k e Energy	-MULTIPLE-		Capital City Ba...	4,229.92		35,285.12
Check	10/08/2018	6050		D u k e Energy	-MULTIPLE-		Capital City Ba...	4,231.04		39,516.16
Check	12/07/2018	6150		D u k e Energy	-MULTIPLE-		Capital City Ba...	5,901.28		45,417.44
Check	12/27/2018	6193		D u k e Energy	-MULTIPLE-		Capital City Ba...	1,449.60		46,867.04
Total 6400 · 615.1-Purchased Power								46,867.04	0.00	46,867.04
Total 6390 · Utilities								46,867.04	0.00	46,867.04
TOTAL								46,867.04	0.00	46,867.04

⇒ Service for wells

Duke Energy

6/26/2018

Acct No. 85924 37573 (406 Marina Dr)

203.11

Acct No. 40824 58342 (149 Commerce Blvd, Ste B)

41.92

Capital City Bank

245.03

Duke Energy

6/26/2018

Acct No 85924 37573 (406 Marina Dr)

203.11

Acct No 40824 58342 (149 Commerce Blvd, Ste B)

41.92

Capital City Bank

245.03



STATEMENT OF ELECTRIC SERVICE

JUNE 2018



ACCOUNT NUMBER

40824 58342

FOR CUSTOMER SERVICE OR
PAYMENT LOCATIONS CALL:
1-800-700-8744

WEB SITE: www.duke-energy.com

TO REPORT A POWER OUTAGE:
1-800-228-8485

GULF COAST REALTY OF GULF CO
DBA CENTURY 21
406 MARINA DR
PORT ST JOE FL 32456

SERVICE ADDRESS
149 COMMERCE BLVD STE B
PORT ST JOE FL 32456

DUE DATE
JUL 03 2018

TOTAL AMOUNT DUE
83.84

**NEXT READ
DATE ON OR
ABOUT**
JUL 12 2018

**DEPOSIT AMOUNT
ON ACCOUNT**
145.00

PIN: 015049200

METER READINGS

METER NO. 005490733
PRESENT (ACTUAL) 091524
PREVIOUS (ACTUAL) 091026
DIFFERENCE 000498
TOTAL KWH 498

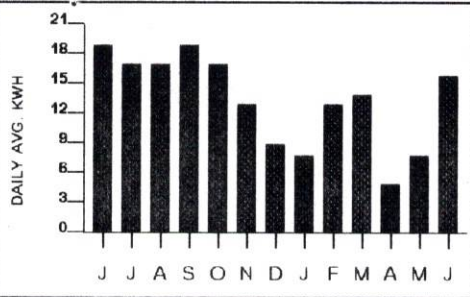
PAYMENTS RECEIVED AS OF JUN 04 2018 47.97 THANK YOU

GS-1 060 GENERAL SERVICE - NON DEMAND SEC
BILLING PERIOD .05-10-18 TO 06-11-18 32 DAYS
CUSTOMER CHARGE 11.67
ENERGY CHARGE 498 KWH @ 7.20400¢ 35.88
FUEL CHARGE 498 KWH @ 4.13200¢ 20.58
ASSET SECURITIZATION CHARGE 498 KWH @ 0.19700¢ 0.98

*TOTAL ELECTRIC COST 69.11
GROSS RECEIPTS TAX 1.77
MUNICIPAL FRANCHISE FEE 4.11
MUNICIPAL UTILITY TAX 5.79
STATE AND OTHER TAXES ON ELECTRIC 5.96
DEPOSIT INTEREST CREDIT 2.90CR

TOTAL CURRENT BILL 83.84

TOTAL DUE THIS STATEMENT **\$83.84**



ENERGY USE
DAILY AVG. USE - 16 KWH/DAY
USE ONE YEAR AGO - 19 KWH/DAY
*DAILY AVG. ELECTRIC COST - \$2.16

Payment of your bill prior to the above due date will avoid a late payment charge of \$5.00 or 1.5%, whichever is greater.

Handwritten signature

BF_BL_DEF_20180611_212629_1 CSV-33474-000015372

DETACH AND RETURN THIS SECTION

ZP05 0001247

Make checks payable to: Duke Energy

ACCOUNT NUMBER - 40824 58342

033474 000015372

GULF COAST REALTY OF GULF CO
DBA CENTURY 21
406 MARINA DR
PORT ST JOE FL 32456-1891

P.O. BOX 1004
CHARLOTTE,
NC 28201-1004

DUE DATE

JUL 03 2018

TOTAL DUE

83.84

PLEASE ENTER
AMOUNT PAID

4082458342000000000838400000000000000000000000083840010000000000009



STATEMENT OF ELECTRIC SERVICE



ACCOUNT NUMBER

85924 37573

JUNE 2018

FOR CUSTOMER SERVICE OR PAYMENT LOCATIONS CALL: 1-800-700-8744

WEB SITE: www.duke-energy.com

TO REPORT A POWER OUTAGE: 1-800-228-8485

GULF COAST REALTY OF GULF CO DBA CENTURY 21 PO BOX 9 PORT ST JOE FL 32457

SERVICE ADDRESS 406 MARINA DR PORT ST JOE FL 32456

DUE DATE JUL 02 2018 TOTAL AMOUNT DUE 406.22 NEXT READ DATE ON OR ABOUT JUL 11 2018 DEPOSIT AMOUNT ON ACCOUNT NONE

PIN: 015049200

METER READINGS

Table with meter readings: METER NO. 002371440, PRESENT (ACTUAL) 004527, PREVIOUS (ACTUAL) 004450, DIFFERENCE 000077, etc.

PAYMENTS RECEIVED AS OF JUN 04 2018 283.64 THANK YOU

GS-1 060 GENERAL SERVICE - NON DEMAND SEC BILLING PERIOD .05-09-18 TO 06-08-18 30 DAYS

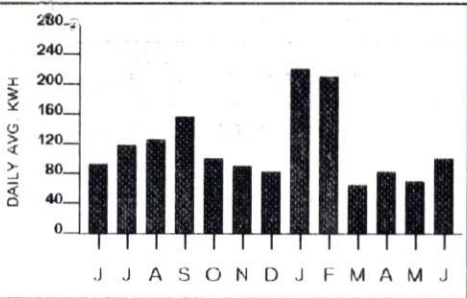
Table of charges: CUSTOMER CHARGE 11.67, ENERGY CHARGE 3080 KWH @ 7.20400¢ 221.88, FUEL CHARGE 3080 KWH @ 4.13200¢ 127.27, ASSET SECURITIZATION CHARGE 3080 KWH @ 0.19700¢ 6.07

*TOTAL ELECTRIC COST 366.89 GROSS RECEIPTS TAX 9.41 STATE AND OTHER TAXES ON ELECTRIC 29.92

TOTAL CURRENT BILL 406.22

TOTAL DUE THIS STATEMENT \$406.22

Handwritten note: 203.11



ENERGY USE: DAILY AVG. USE - 103 KWH/DAY, USE ONE YEAR AGO - 96 KWH/DAY, *DAILY AVG. ELECTRIC COST - \$12.23

Payment of your bill prior to the above due date will avoid a late payment charge of \$5.00 or 1.5%, whichever is greater.

BF_BL_DEF_20180608_220838_1 CSV-3341-000044283

DETACH AND RETURN THIS SECTION BC 0003456

Make checks payable to: Duke Energy

ACCOUNT NUMBER - 85924 37573

003341 000044283

GULF COAST REALTY OF GULF CO DBA CENTURY 21 PO BOX 9 PORT ST JOE FL 32457-0009

P.O. BOX 1004 CHARLOTTE, NC 28201-1004

DUE DATE

JUL 02 2018

TOTAL DUE

406.22

PLEASE ENTER AMOUNT PAID

859243757380000004062230000000000000000000004062230100000000009

D u k e Energy

7/6/2018

Acct No 04060 70433

50.94

Acct No 04210 47476

3,923.09

Acct No 38675 01301

429.90

Capital City Bank

4,403.93



STATEMENT OF ELECTRIC SERVICE



ACCOUNT NUMBER

04060 70433

JUNE 2018

FOR CUSTOMER SERVICE OR PAYMENT LOCATIONS CALL: 1-877-372-8477
WEB SITE: www.duke-energy.com
TO REPORT A POWER OUTAGE: 1-800-228-8485

LIGHTHOUSE UTILITIES COMPANY
P O BOX 428
PORT ST JOE FL 32457
SERVICE ADDRESS
5610 COUNTY ROAD 30C, WELL
PORT ST JOE FL 32456

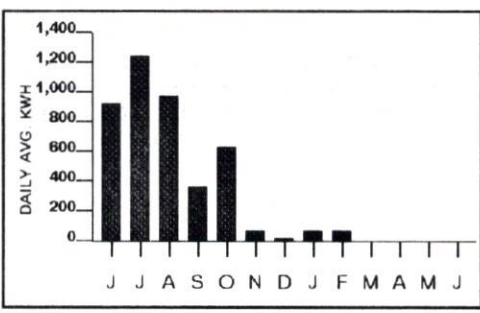
DUE DATE JUL 17 2018 TOTAL AMOUNT DUE 50.94
NEXT READ DATE ON OR ABOUT JUL 26 2018 DEPOSIT AMOUNT ON ACCOUNT NONE

PIN: 299401979

METER READINGS

METER NO. 002648700
PRESENT (ACTUAL) 032540
PREVIOUS (ACTUAL) 032189
DIFFERENCE 000351
TOTAL KWH 351
PRESENT KW (ACTUAL) 0000.90
BASE KW 1
LOAD FACTOR 45.7%

PAYMENTS RECEIVED AS OF JUN 04 2018 45.87 THANK YOU
GSD-1 070 GENERAL SERVICE - DEMAND SEC
BILLING PERIOD .05-24-18 TO 06-25-18 32 DAYS
CUSTOMER CHARGE 11.67
ENERGY CHARGE 351 KWH @ 2.51700¢ 8.83
FUEL CHARGE 351 KWH @ 4.13200¢ 14.50
DEMAND CHARGE 1 KW @ \$10.37000 10.37
ASSET SECURITIZATION CHARGE 351 KWH @ 0.17900¢ 0.63
*TOTAL ELECTRIC COST 46.00
GROSS RECEIPTS TAX 1.18
STATE AND OTHER TAXES ON ELECTRIC 3.76
TOTAL CURRENT BILL 50.94
TOTAL DUE THIS STATEMENT \$50.94



ENERGY USE
DAILY AVG. USE - 11 KWH/DAY
USE ONE YEAR AGO - 938 KWH/DAY
*DAILY AVG. ELECTRIC COST - \$1.44

Payment of your bill prior to the above due date will avoid a late payment charge of \$5.00 or 1.5%, whichever is greater.

BF_BL_DEF_20180625_213229_1.CSV-1314-000045597

DETACH AND RETURN THIS SECTION BC 0001278

Make checks payable to: Duke Energy

ACCOUNT NUMBER - 04060 70433

001314 000045597

LIGHTHOUSE UTILITIES COMPANY
PO BOX 428
PORT ST JOE FL 32457-0428

P.O. BOX 1004
CHARLOTTE,
NC 28201-1004

DUE DATE
JUL 17 2018

TOTAL DUE
50.94

PLEASE ENTER
AMOUNT PAID

04060704330000000050948000000000000000000000005094801000000000009



STATEMENT OF ELECTRIC SERVICE



ACCOUNT NUMBER 04210 47476

JUNE 2018

FOR CUSTOMER SERVICE OR PAYMENT LOCATIONS CALL: 1-877-372-8477
WEB SITE: www.duke-energy.com
TO REPORT A POWER OUTAGE: 1-800-228-8485

LIGHTHOUSE UTILITIES COMPANY
P O BOX 428 PORT ST JOE FL 32457
SERVICE ADDRESS 7521 COUNTY ROAD 30C, WELL PORT ST JOE FL 32456

DUE DATE JUL 20 2018 TOTAL AMOUNT DUE 3,923.09
NEXT READ DATE ON OR ABOUT JUL 26 2018 DEPOSIT AMOUNT ON ACCOUNT NONE

PIN: 299401979

METER READINGS

METER NO. 004534183
PRESENT (ACTUAL) 091906
PREVIOUS (ACTUAL) 047191
DIFFERENCE 044715
PRESENT ONPEAK 017318
PREVIOUS ONPEAK 005713
DIFFERENCE ONPEAK 011605
TOTAL KWH 44715
ON PEAK KWH 11605
PRESENT KW (ACTUAL) 0067.47
PRESENT PEAK KW 0065.27
BASE KW 67
ON-PEAK KW 65
LOAD FACTOR 86.9%

PAYMENTS RECEIVED AS OF JUN 04 2018 3,329.89 THANK YOU
GSDT-1 053 GENERAL SERVICE DEM TDU SEC
BILLING PERIOD..05-24-18 TO 06-25-18 32 DAYS
CUSTOMER CHARGE 19.13
ENERGY CHARGE (ON-PEAK) 11605 KWH @ 5.30000¢ 615.07
ENERGY CHARGE(OFF-PEAK) 33110 KWH @ 1.01500¢ 336.07
FUEL CHARGE (ON-PEAK) 11605 KWH @ 5.10700¢ 592.67
FUEL CHARGE (OFF-PEAK) 33110 KWH @ 3.67700¢ 1,217.45
DEMAND CHARGE (BASE) 67 KW @ \$6.37000 426.79
DEMAND CHARGE (ON-PEAK) 65 KW @ \$3.94000 256.10
ASSET SECURITIZATION CHARGE 44715 KWH @ 0.17900¢ 80.04
*TOTAL ELECTRIC COST 3,543.32
GROSS RECEIPTS TAX 90.85
STATE AND OTHER TAXES ON ELECTRIC 288.92
TOTAL CURRENT BILL 3,923.09
TOTAL DUE THIS STATEMENT \$3,923.09

Payment of your bill prior to the above due date will avoid a late payment charge of \$5.00 or 1.5%, whichever is greater.

ENERGY USE
DAILY AVG. USE - 1397 KWH/DAY
USE ONE YEAR AGO - 855 KWH/DAY
*DAILY AVG. ELECTRIC COST -\$110.73

BF_BL_DEF_20180628_224905_1 CSV-31022-000013151

DETACH AND RETURN THIS SECTION

ZP03 0000560

Make checks payable to: Duke Energy

ACCOUNT NUMBER - 04210 47476

031022 000013151



LIGHTHOUSE UTILITIES COMPANY
PO BOX 428
PORT ST JOE FL 32457-0428

P.O. BOX 1004
CHARLOTTE,
NC 28201-1004



DUE DATE
JUL 20 2018

TOTAL DUE
3,923.09

PLEASE ENTER
AMOUNT PAID

042104747670000039230910000000000000000000039230910100000000009



STATEMENT OF ELECTRIC SERVICE

JUNE 2018



ACCOUNT NUMBER

38675 01301

FOR CUSTOMER SERVICE OR
PAYMENT LOCATIONS CALL:
1-877-372-8477

WEB SITE: www.duke-energy.com

TO REPORT A POWER OUTAGE:
1-800-228-8485

LIGHTHOUSE UTILITIES COMPANY

PO BOX 428
PORT ST JOE FL 32457

SERVICE ADDRESS
7182 CAPE SAN BLAS RD PUMP
CAPE SAN BLAS FL 32456

DUE DATE
JUL 16 2018

TOTAL AMOUNT DUE
429.90

NEXT READ
DATE ON OR
ABOUT
JUL 25 2018

DEPOSIT AMOUNT
ON ACCOUNT
NONE

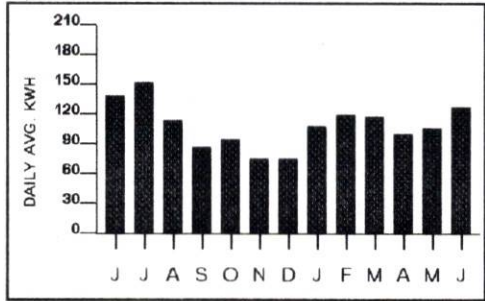
PIN: 299401979

METER READINGS

METER NO.	008922394
PRESENT (ACTUAL)	072789
PREVIOUS (ACTUAL)	068944
DIFFERENCE	003845
PRESENT ONPEAK	020185
PREVIOUS ONPEAK	019009
DIFFERENCE ONPEAK	001176
TOTAL KWH	3845
ON PEAK KWH	1176
PRESENT KW (ACTUAL)	0010.89
PRESENT PEAK KW	0010.89
BASE KW	11
ON-PEAK KW	11
LOAD FACTOR	48.5%

PAYMENTS RECEIVED AS OF JUN 04 2018 433.17 THANK YOU

GSD-1	070	GENERAL SERVICE - DEMAND SEC	
BILLING PERIOD	05-23-18	TO 06-22-18	30 DAYS
CUSTOMER CHARGE			11.67
ENERGY CHARGE	3845 KWH @	2.51700¢	96.78
FUEL CHARGE	3845 KWH @	4.13200¢	158.88
DEMAND CHARGE	11 KW @	\$10.37000	114.07
ASSET SECURITIZATION CHARGE	3845 KWH @	0.17900¢	6.88
*TOTAL ELECTRIC COST			388.28
GROSS RECEIPTS TAX			9.96
STATE AND OTHER TAXES ON ELECTRIC			31.66
TOTAL CURRENT BILL			429.90
TOTAL DUE THIS STATEMENT			\$429.90



Payment of your bill prior to the above due date will avoid a late payment charge of \$5.00 or 1.5%, whichever is greater.

ENERGY USE

DAILY AVG. USE -	128 KWH/DAY
USE ONE YEAR AGO -	140 KWH/DAY
*DAILY AVG. ELECTRIC COST -	\$12.94

BF_BL_DEF_20180622_212820_1.CSV-28296-000020287

DETACH AND RETURN THIS SECTION

ZP03 0000451

Make checks payable to: Duke Energy

ACCOUNT NUMBER - 38675 01301

028296 000020287

|||||||
LIGHTHOUSE UTILITIES COMPANY
PO BOX 428
PORT ST JOE FL 32457-0428

P.O. BOX 1004
CHARLOTTE,
NC 28201-1004

DUE DATE

JUL 16 2018

TOTAL DUE

429.90

PLEASE ENTER
AMOUNT PAID

386750130190000004299020000000000000000000004299020100000000009

Attachment 3

Lighthouse Utilities Co Inc
Payroll Summary
 January through December 2018

	Dixon, Matthew T.			McArdie, James L.			Pope, Matthew D.			Rish Jr., William J.			TOTAL		
	Hours	Rate	Jan - Dec 18	Hours	Rate	Jan - Dec 18	Hours	Rate	Jan - Dec 18	Hours	Rate	Jan - Dec 18	Hours	Rate	Jan - Dec 18
Employee Wages, Taxes and Adjustments															
Gross Pay															
Salary			0.00			57,696.00			0.00			52,908.00			110,604.00
Hourly	2,067.5	16.00	33,080.00			0.00	2,095	19.50	38,323.10			0.00	4,162.50		71,403.10
Overtime Hourly Rate	149	24.00	3,576.00			0.00	293.5	29.25	8,304.19			0.00	442.50		11,880.19
Holiday Bonus			500.00			1,000.00			1,000.00			1,500.00			4,000.00
Total Gross Pay	2,216.5		37,156.00			58,696.00	2,388.5		47,627.29			54,408.00	4,605.00		197,887.29
Deductions from Gross Pay															
401(K) Employee Contribution			-2,565.92			-3,600.00			-932.57			0.00			-7,098.49
Total Deductions from Gross Pay			-2,565.92			-3,600.00			-932.57			0.00			-7,098.49
Adjusted Gross Pay	2,216.5		34,590.08			55,096.00	2,388.5		46,694.72			54,408.00	4,605.00		190,788.80
Taxes Withheld															
Federal Withholding			-3,596.00			-5,452.00			-4,721.00			-4,638.00			-18,407.00
Medicare Employee			-538.76			-851.09			-690.60			-788.92			-2,869.37
Social Security Employee			-2,303.67			-3,639.15			-2,952.89			-3,373.30			-12,269.01
Medicare Employee Addl Tax			0.00			0.00			0.00			0.00			0.00
Total Taxes Withheld			-6,438.43			-9,942.24			-8,364.49			-8,800.22			-33,545.38
Net Pay	2,216.5		28,151.65			45,153.76	2,388.5		38,330.23			45,607.78	4,605.00		157,243.42
Employer Taxes and Contributions															
Federal Unemployment			42.00			42.00			42.00			42.00			168.00
Medicare Company			538.76			851.09			690.60			788.92			2,869.37
Social Security Company			2,303.67			3,639.15			2,952.89			3,373.30			12,269.01
FL - Unemployment Company			378.00			378.00			378.00			378.00			1,512.00
401(K) Company Contribution			2,229.36			3,521.76			932.57			0.00			6,683.69
Total Employer Taxes and Contributions			5,491.79			8,432.00			4,996.06			4,582.22			23,502.07

Attachment 4



Dewberry Engineers Inc. | 850.227.7200
324 Marina Drive | 850.227.7215 fax
Port Saint Joe, FL 32456 | www.dewberry.com

January 14, 2020

Ms. Lexie Woodson
Environmental Specialist
FDEP – Water Facilities
160 W. Government Street, Suite 308
Pensacola, FL 32502

RE: Water System Improvements – Permit Application
PWS ID No. 1230848
Project No. 5010 3406

Dear Ms. Woodson,

On behalf of Lighthouse Utilities Co., Inc. (LUCI), Dewberry Engineers Inc. (DEI) is submitting this permit application to add treatment components to reduce disinfection byproduct formation pursuant to Consent Order No. 18-1047 dated July 9, 2018. This application is made up of Application Form 62-555.900(1) and a Design Report.

Should you have questions or need additional information, please give me a call at 850.571.1210.

Sincerely,

A handwritten signature in blue ink, appearing to read "Philip Jones", with a long horizontal flourish extending to the right.

Philip Jones, P.E., BCEE
Project Manager

Cc: Jay Rish (Jay@floridagulfcoast.com)
Larry McArdle (luci2013@fairpoint.net)

APPLICATION FOR A SPECIFIC PERMIT TO CONSTRUCT PWS COMPONENTS

Project Name: Water System Plant Improvements and Additions	Applicant: Lighthouse Utilities Company, Inc.
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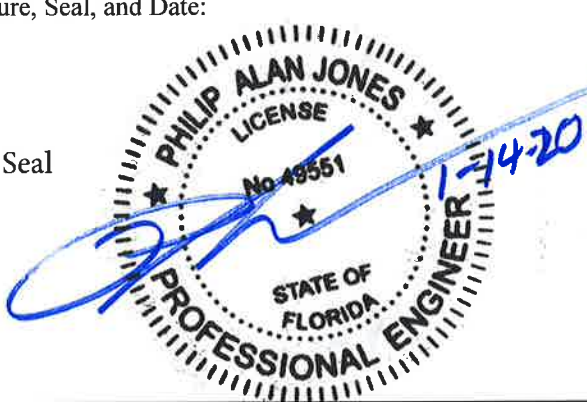
C. Certification by PWS that Will Own Project after It Is Placed into Permanent Operation

I am duly authorized to sign this application on behalf of the PWS identified in Part I.I of this application. I certify that said PWS will own this project after it is placed into permanent operation. I also certify that said PWS has reviewed the preliminary design report or drawings, specifications, and design data for this project and that said PWS considers this project acceptable as designed.

	William J. Rish, Jr.	President
Signature and Date	Printed or Typed Name	Title

D. Certification by Professional Engineer(s) in Responsible Charge of Designing Project*

I, the undersigned professional engineer licensed in Florida, am in responsible charge of preparing the preliminary design report or drawings, specifications, and design data for this project. I certify that, to the best of my knowledge and belief, the design of this project complies with Chapter 62-555, F.A.C., and provides assurance of compliance with Chapter 62-550, F.A.C.

Signature, Seal, and Date: Affix Seal 	Signature, Seal, and Date: Affix Seal
Printed/Typed Name: Philip A. Jones	Printed/Typed Name:
License Number: 49551	License Number:
Portion of Engineering Document(s) for Which Responsible: Entire project	Portion of Engineering Document(s) for Which Responsible:

Signature, Seal, and Date: Affix Seal	Signature, Seal, and Date: Affix Seal
Printed/Typed Name:	Printed/Typed Name:
License Number:	License Number:
Portion of Engineering Document(s) for Which Responsible:	Portion of Engineering Document(s) for Which Responsible:

Signature, Seal, and Date: Affix Seal	Signature, Seal, and Date: Affix Seal
Printed/Typed Name:	Printed/Typed Name:
License Number:	License Number:
Portion of Engineering Document(s) for Which Responsible:	Portion of Engineering Document(s) for Which Responsible:

Signature, Seal, and Date: Affix Seal	Signature, Seal, and Date: Affix Seal
Printed/Typed Name:	Printed/Typed Name:
License Number:	License Number:
Portion of Engineering Document(s) for Which Responsible:	Portion of Engineering Document(s) for Which Responsible:

* Except as noted in paragraphs 62-555.520(3) (a) and (b), F.A.C., projects shall be designed under the responsible charge of one or more professional engineers (PEs) licensed in Florida. If this project is being designed under the responsible charge of one or more PEs licensed in Florida, Part II.D of this application shall be completed by the PE(s) in responsible charge. If this project is not being designed under the responsible charge of one or more PEs licensed in Florida, Part II.D does not have to be completed.

APPLICATION FOR A SPECIFIC PERMIT TO CONSTRUCT PWS COMPONENTS

INSTRUCTIONS: This application shall be completed and submitted by persons proposing to construct or alter public water system components unless such proposed construction or alteration is permitted under the Department of Environmental Protection's (DEP's) "General Permit for Construction of Water Main Extensions for Public Water Systems," in which case Form 62-555.900(7) is to be completed and submitted, or under the DEP's "General Permit for Construction of Lead or Copper Corrosion Control, or Iron or Manganese Sequestration, Treatment Facilities for Small or Medium Public Water Systems," in which case Form 62-555.900(18) is to be completed and submitted. Complete and submit one copy of this application to the appropriate DEP District Office or Approved County Health Department (ACHD) along with payment of the proper application processing fee and one copy of the following information:

- either a preliminary design report or drawings, specifications, and design data (the preliminary design report or drawings, specifications, and design data shall contain all pertinent information required under subsection 62-555.520(4), F.A.C.); and
- the Florida Public Service Commission (FPSC) certificate of authorization to provide water service if the project involves construction of a new public water system subject to the jurisdiction of the FPSC.

All information provided on this application shall be typed or printed in ink. Application processing fees are listed in paragraph 62-4.050(4) (n), F.A.C. Checks for application processing fees shall be made payable to the Department of Environmental Protection or to the appropriate ACHD. Preliminary design reports, drawings, specifications, and design data prepared under the responsible charge of one or more professional engineers licensed in Florida shall be signed, sealed, and dated by the professional engineer(s) in responsible charge. **NOTE THAT A SEPARATE APPLICATION AND A SEPARATE APPLICATION PROCESSING FEE ARE REQUIRED FOR EACH NON-CONTIGUOUS PROJECT.***

** Non-contiguous projects are projects that are neither interconnected nor located nearby one another (i.e., on the same site, on adjacent streets, or in the same neighborhood).*



APPLICATION FOR A SPECIFIC PERMIT TO CONSTRUCT PWS COMPONENTS

See page 4 for instructions.

I. General Project Information

A. Name of Project: Water System Modifications

B. Description of Project and Its Purpose:

The purpose of this project is to make improvements to the LUCI II and III water plants to reduce formation of Disinfection Byproducts such as Total Trihalomethanes (TTHM) and Haloacetic Acids (HAA5). Improvements will include removing the tray aerator and installing a mixer on the LUCI II ground storage tank and adding a mixer, aerator, and fan on the ground storage tank at LUCI III and adding a chlorine booster system at LUCI III (Cape booster plant).

C. Does project create a "new system" as described under subsection 62-555.525(1), F.A.C.? Yes, and a completed copy of Form 62-555.900(20), New Water System Capacity Development Financial and Managerial Operations Plan, is attached. No.

D. Location of Project

1. County Where Project Located: Gulf

2. Description of Project Location:

LUCI II is located at 7521 State Road 30-A and LUCI III is located at 7182 Cape San Blas Road, parcel ID: 06351-049R.

3. Latitude and Longitude of Each New Treatment Plant and Each New Raw Water Source (attach additional sheets if necessary):

Name of New Treatment Plant or Raw Water Source	Latitude	Longitude
	° ' "N	° ' "W
	° ' "N	° ' "W
	° ' "N	° ' "W
	° ' "N	° ' "W
	° ' N	° ' "W

E. Estimate of Cost to Construct Project: \$45,000

F. Estimate of Dates for Starting and Completing Construction of Project: March 1, 2020 - September 1, 2020

G. Applicant

PWS/Company Name: <u>Lighthouse Utilities Company, Inc.</u>		PWS Identification No.: <u>*1230848</u>
PWS Type: * <input checked="" type="checkbox"/> Community <input type="checkbox"/> Non-Transient Non-Community <input type="checkbox"/> Transient Non-Community <input type="checkbox"/> Consecutive		
Contact Person: <u>William J. Rish, Jr.</u>		Contact Person's Title: <u>President</u>
Contact Person's Mailing Address: <u>P.O. Box 428</u>		
City: <u>Port St. Joe</u>	State: <u>Florida</u>	Zip Code: <u>32437</u>
Contact Person's Telephone Number: <u>850.227.7427</u>		Contact Person's Fax Number: <u>850.229.1118</u>
Contact Person's E-Mail Address: <u>jay@floridagulfcoast.com</u>		

* This information is required only if the applicant is a public water system (PWS).

H. Public Water System (PWS) Supplying Water to Project

PWS Name: <u>Lighthouse Utilities Company, Inc. Water System</u>		PWS Identification No.: <u>1230848</u>
PWS Type: <input checked="" type="checkbox"/> Community <input type="checkbox"/> Non-Transient Non-Community <input type="checkbox"/> Transient Non-Community <input type="checkbox"/> Consecutive		
PWS Owner: <u>Lighthouse Utilities Company, Inc.</u>		
Contact Person: <u>William J. Rish, Jr.</u>		Contact Person's Title: <u>President</u>
Contact Person's Mailing Address: <u>P.O. Box 428</u>		
City: <u>Port St. Joe</u>	State: <u>Florida</u>	Zip Code: <u>32437</u>
Contact Person's Telephone Number: <u>850.227.7427</u>		Contact Person's Fax Number: <u>850.229.1118</u>
Contact Person's E-Mail Address: <u>jay@floridagulfcoast.com</u>		

APPLICATION FOR A SPECIFIC PERMIT TO CONSTRUCT PWS COMPONENTS

Project Name: Water System Plant Improvements and Additions	Applicant: Lighthouse Utilities Company, Inc.
---	---

I. Public Water System (PWS) that Will Own Project after It Is Placed into Permanent Operation

PWS Name: Lighthouse utility Company, Inc. Water System		PWS Identification No.:* 1230848
PWS Type:* <input checked="" type="checkbox"/> Community <input type="checkbox"/> Non-Transient Non-Community <input type="checkbox"/> Transient Non-Community <input type="checkbox"/> Consecutive		
PWS Owner: Lighthouse Utility Company, Inc.		
Contact Person: William J. Rish, Jr.		Contact Person's Title: President
Contact Person's Mailing Address: P.O. Box 428		
City: Port St. Joe		State: Florida
Contact Person's Telephone Number: 850.227.7427		Zip Code: 32437
Contact Person's Fax Number:		
Contact Person's E-Mail Address: jay@floridagulfcoast.com		

* This information is required only if the owner/operator is an existing PWS.

J. Professional Engineer(s) or Other Person(s) in Responsible Charge of Designing Project*

Company Name: Dewberry		
Designer(s): Philip A. Jones		Title(s) of Designer(s): Associate Vice President
Qualifications of Designer(s):		
<input checked="" type="checkbox"/> Professional Engineer(s) Licensed in Florida – License Number(s): 49551		
<input type="checkbox"/> Public Officer(s) Employed by State, County, Municipal, or Other Governmental Unit of State†		
<input type="checkbox"/> Plumbing Contractor(s) Licensed in Florida – License Number(s): ^		
Mailing Address of Designer(s): 324 Marina Drive		
City: Port St. Joe		State: Florida
Telephone Number of Designer(s): 850.571.1210		Zip Code: 32456
E-Mail Address(es) of Designer(s):		Fax Number of Designer(s):
pajones@dewberry.com		

* Except as noted in paragraphs 62-555.520(3)(a) and (b), F.A.C., projects shall be designed under the responsible charge of one or more professional engineers licensed in Florida.

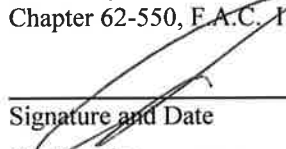
† Attach a detailed construction cost estimate showing that the cost to construct this project is \$10,000 or less.

^ Attach documentation showing that this project will be installed by the plumbing contractor(s) designing this project, documentation showing that this project involves a public water system serving a single property and fewer than 250 fixture units, and a detailed construction cost estimate showing that the cost to construct this project is \$50,000 or less.

II Certifications

A. Certification by Applicant

I am duly authorized to sign this application on behalf of the applicant identified in Part I.G of this application. I certify that, to the best of my knowledge and belief, this project complies with Chapter 62-555, F.A.C., and provides assurance of compliance with Chapter 62-550, F.A.C. I also certify that construction of this project has not begun yet.

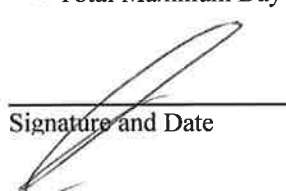
	William J. Rish, Jr.	President
Signature and Date	Printed or Typed Name	Title

B. Certification by PWS Supplying Water to Project

I am duly authorized to sign this application on behalf of the PWS identified in Part I.H of this application. I certify that said PWS will supply the water necessary to meet the design water demands for this project. I certify that, to the best of my knowledge and belief, said PWS's connection to this project will not cause said PWS to be, or contribute to said PWS being, in noncompliance with Chapter 62-550 or 62-555, F.A.C. I also certify that said PWS has reviewed the preliminary design report or drawings, specifications, and design data for this project and that said PWS considers the connection(s) between this project and said PWS acceptable as designed.

- Name(s) of Water Treatment Plant(s) to Which this Project Will Be Connected: Lighthouse Utility Company, Inc. Water System

- Total Permitted Maximum Day Operating Capacity of Plant(s), gpd: 1,090,000 gallons per day
- Total Maximum Day Flow at Plant(s) as Recorded on Monthly Operating Reports During Past 12 Months, gpd: 600,000 gallons

	William J. Rish, Jr.	President
Signature and Date	Printed or Typed Name	Title

LIGHTHOUSE UTILITIES COMPANY, INC.
PO BOX 428
PORT SAINT JOE, FL 32457

CAPITAL CITY BANK
TALLAHASSEE, FL 32302

6882

63-68/631

CHECK ARMOR

1-14-20

PAY TO THE
ORDER OF

FL Dept of Environmental Protection

\$ 1,000

One Thousand

DOLLARS

MEMO

Permit
Discontinuation by Products upgrade



AUTHORIZED SIGNATURE

⑈006882⑈ ⑆063100688⑆680792350⑆⑈

Photo Safe Deposit®
Details on Back.

LIGHTHOUSE UTILITIES COMPANY, INC.

WATER SYSTEM MODIFICATIONS FOR DISINFECTION BYPRODUCT REDUCTION

FDEP CONSENT ORDER No. 18-1047-PW

PREPARED FOR:

LIGHTHOUSE UTILITIES COMPANY, INC.

PROJECT NUMBER 50103406

January 14, 2020

PREPARED BY:



324 Marina Drive
Port Saint Joe, FL 32456



TABLE OF CONTENTS

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SECTION 3 – ALTERNATIVE TREATMENT METHODS	2
SECTION 4 – SUMMARY	3

LIST OF ATTACHMENTS

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ATTACHMENT 2:	Project Location Map
ATTACHMENT 3:	Existing Water System Exhibit
ATTACHMENT 4:	Water System Schematic
ATTACHMENT 5:	Tablet Chlorinator
ATTACHMENT 6:	White Paper on TTHM Stripping System

1.0 INTRODUCTION

Lighthouse Utilities Company, Inc. (LUCI) is a privately owned company which owns and operates the LUCI Water System for unincorporated areas in South Gulf County, Florida. LUCI's service area encompasses approximately 13 square miles covering the St. Joseph Peninsula, Jones Homestead and Indian Pass communities. A water service area map is provided in **Attachment 1**. The existing service area is bounded by the city of Port St. Joe water system to the North, the Gulf County line to the East, and the Gulf of Mexico to the South and West. The land use for the extended service area shown in the service area map is currently timberland. This area has a significant potential for future growth as the city of Port St. Joe expands.

Since the third quarter of 2017, the LUCI system has experienced permit violations for disinfection byproducts in the distribution system: specifically HAA5 and TTHM. Subsequently, LUCI and the Florida Department of Environmental Protection (FDEP) entered into a Consent Order dated July 9, 2018 concerning this matter. LUCI procured the services of Dewberry Engineers, Inc. (DEI) and a Facilities Plan was produced in April of 2018 with design measures to solve the disinfection byproduct problem and, also, improve the facilities' resiliency and prepare for future growth. Having failed to obtain acceptable funding, this large-scale project was abandoned in April 2019.

The purpose of this Design Report is to present alternate methods of solving the disinfection byproduct issues on a much smaller and more affordable scale.

2.0 EXISTING WATER SYSTEM

The PWS I.D for LUCI is 1230848 and the system serves an estimated average population of approximately 4,375 residents. LUCI currently services 1,750 total connections. However, based on seasonal peaks, it is estimated that, of the total connections, 1,312 are permanent residences and the remaining 438 are seasonal transient connections. Water usage data indicates the peak month usage increases 60% from May to August when compared to the annual period from September to April. The increased peak month usage during summer months is consistent with the tourism based local economy and indicates a significant transient population.

The existing LUCI system consists of approximately 149,800 linear feet (28.37 miles) of distribution mains of varying sizes, two water treatment plants (LUCI I & LUCI II), and a booster station (LUCI III). LUCI I was supplied by a 6" well and LUCI II is supplied by a 16" well. LUCI I is located on SR 30-A, north of the intersection of SR 30-A and SR 30-E. LUCI II is located three miles to the southeast on CR 30-A. The booster station located at 7182 SR 30-E, LUCI III, is located north of Rish Park on the Cape San Blas Peninsula, and serves the St. Joseph Peninsula from the area known as "Stump Hole" to the end of the Peninsula (State Park).

Attachment 2 provides general locations of the plants on USGS topographic map and on a satellite image. **Attachment 3** provides a map of the existing distribution system and **Attachment 4** illustrates the treatment processes of the LUCI I and II treatment plants.

On October 10, 2018 Hurricane Michael caused major damage to the LUCI I plant and slightly damaged the LUCI II plant. The LUCI II plant was restored only days after the hurricane but the tanks, chlorinators, and much of the electrical equipment were washed away or badly damaged by the storm at LUCI I. Recently, the 6" well at LUCI I had to be abandoned after efforts to repair its corroded casing pipe that caused salt water intrusion. This plant remains in a state of disrepair. Since the storm, the 16" well at LUCI II and an interconnection with the City of Port St. Joe system in Jones Homestead are the only supply sources for the system.

3.0 ALTERNATIVE TREATMENT METHODS

Disinfection byproducts such as HAA5 and TTHM are typically formed downstream of chlorine addition as naturally-occurring organics in the water react with chlorine over time. The longer the contact time and the higher the free chlorine residual, the more likely they are to form.

The distribution system map of **Attachment 3** illustrates the linear nature of the distribution system. In fact, the booster station (LUCI III) is approximately 10 miles from the LUCI II plant which pushes finished water to LUCI III through a 12" main approximately 12,000 feet long and an 8" main approximately 50,000 feet long. An automatic valve fills the 200,000 gallon ground storage tank at LUCI III upon demand (low level in the tank) and water is pumped from the tank to another pressure zone northward upon pressure demand. There is no further treatment at LUCI III: only storage and re-pumping.

The current annual average system demands are approximately 350,000 to 400,000 gallons per day (gpd) and maximum day demands are roughly twice the average. Given the volumes in the piping to LUCI III (approximately 175,000 gallons) and its tank, the contact time from LUCI II to the discharge of LUCI III is approximately 2 to 3 days. This assumes approximately one half or one third of the demand is north of LUCI II on the peninsula. Since LUCI III has no chlorination capability, operators must chlorinate sufficiently at LUCI II to maintain chlorine residuals downstream of LUCI III. This combination of relatively high chlorine residual and long contact time is likely the cause of disinfection byproduct formation in the system.

Therefore, it is recommended that a simple tablet chlorinator be installed at the LUCI III plant and controlled to operate when its high-service pumps activate. **Attachment 5** illustrates a typical tablet chlorinator with simple control panel, water supply, and chlorinated water discharge. The chlorine would be added to the discharge header from the pumps prior to the existing hydro-pneumatic tank. Since the pumping rate of the high-service pumps is 500 gpm, the rate of chlorine addition is calculated as:

$$\text{lbs/day chlorine} = (1,440 \times 10^{-6} \text{ MGD/gpm})(500 \text{ gpm})(2.0 \text{ mg/L})(8.34 \text{ lb/MG/mg/L}) = 12 \text{ lb/day}$$

This system would allow chlorine residuals to be reduced between LUCI II and LUCI III.

It is also recommended that a simple mixer be added to the ground-storage tank at LUCI II and that the tray aerator be removed. The tray aerator frequently leaks causing water losses and is not needed as this well does not contain elevated levels of hydrogen sulfide. The mixer will help keep the water in the tank fresh.

Finally, a spray aerator and simple mixer should be added to the ground-storage tank at LUCI III. The spray aerator will help volatilize any TTHM that may have formed in the fill line or tank. This same system was used successfully for TTHM reduction in neighboring City of Port St. Joe (see **Attachment 6** for a white paper on the subject).

4.0 SUMMARY

Based on the above description, it is recommended that the project consist of the following:


1. Remove tray aerator and install tank mixer at LUCI II ground-storage tank.
2. Install tank mixer, vent fan, and spray aerator at the LUCI III ground-storage tank.
3. Install tablet chlorinator in the LUCI III pump room and feed chlorine solution prior to the hydro-pneumatic tank when the pump(s) activate.

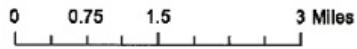
ATTACHMENT 1
WATER SERVICE AREA MAP

Lighthouse Utilities Company, Inc.
Water Service Area Map



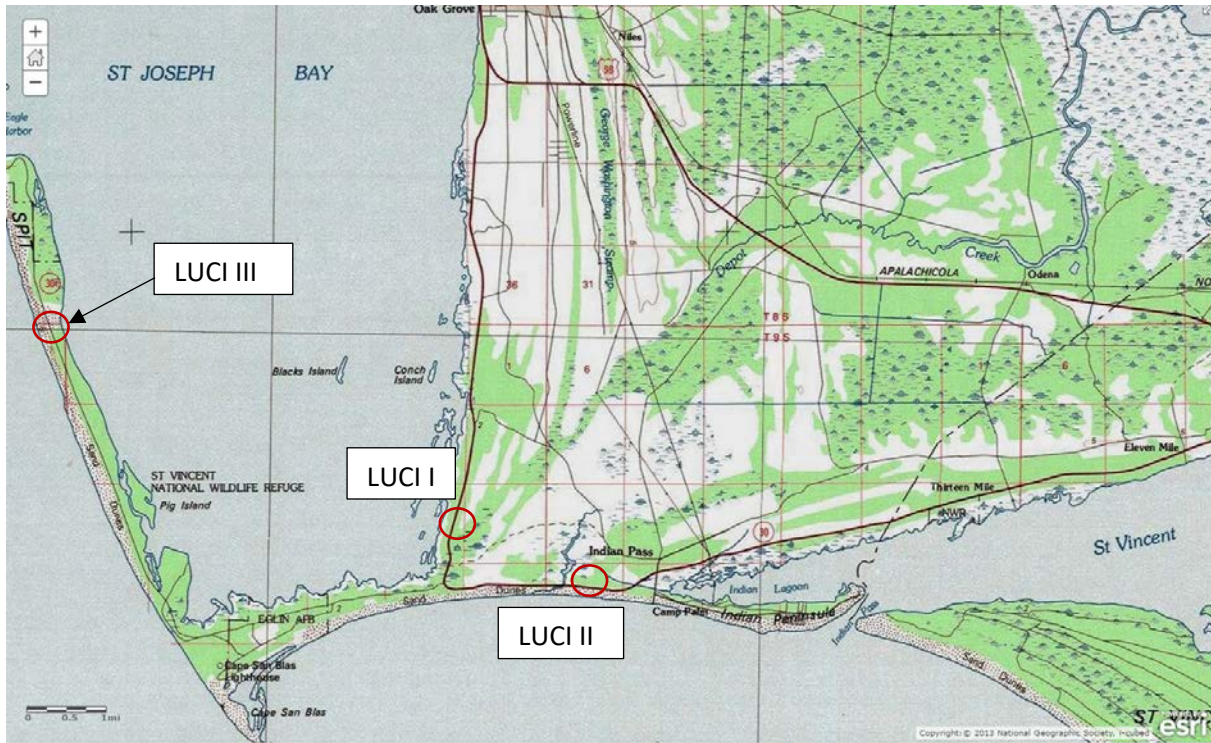
Coverage Area Boundaries

 Lighthouse Utilities Company, Inc.
Service and Franchise



ATTACHMENT 2
PROJECT LOCATION MAP

Lighthouse Utilities Company, Inc.
Project Location Map



ATTACHMENT 3
EXISTING WATER SYSTEM EXHIBIT

June 17, 2015 (17:23:06 EST)
 K:\011.036_2014_WATER_SYSTEM_IMPROVEMENTS\CIVIL\FOLDER_PRODUCTION\011036_LOCATION_MAP.DWG



NO.	DATE	APPR.	REVISION:
1			
2			
3			
4			
5			

PREBLE-RISH INC
 CONSULTING ENGINEERS AND SURVEYORS
 CIVIL • SURVEYING • SITE PLANNING

324 MARINA DRIVE
 PORT ST. JOE, FL 32456
 (850) 227-7200

203 ABERDEEN PARKWAY
 PANAMA CITY, FL 32405
 (850) 622-0644

5365 SCENIC HWY 30A, SUITE 102
 SANTA ROSA BEACH, FL 32459
 (850) 231-3802

EXISTING FACILITIES MAP
 LIGHTHOUSE UTILITIES COMPANY, INC
 GULF COUNTY, FLORIDA



DATE: 11/05	PROJECT NO. 011.036
SCALE: NTS	SHEET
DRAWN: TLB	FIG A-2
CHECKED: PAJ	

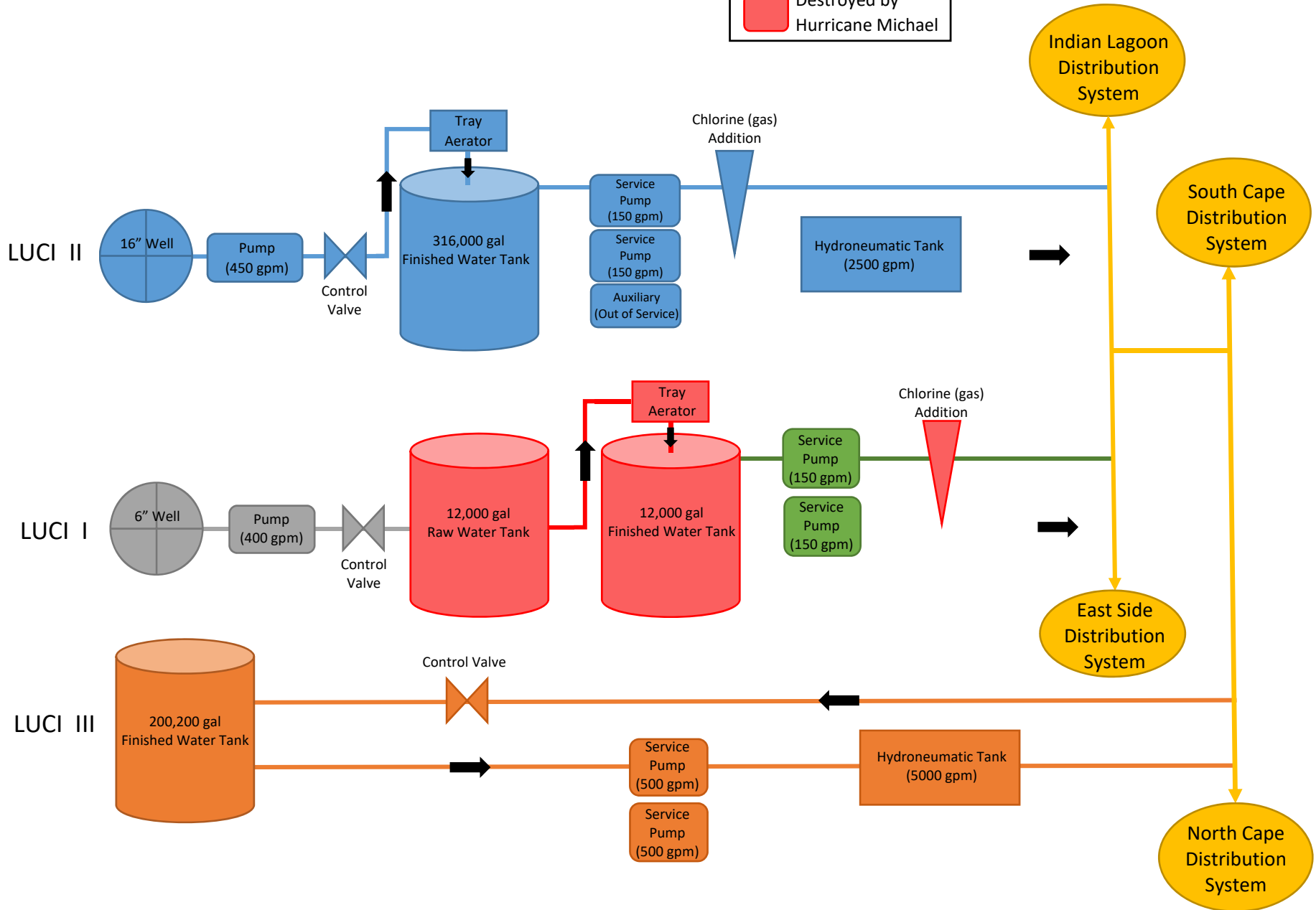
EB# 0006155

ATTACHMENT 4
WATER SYSTEM SCHEMATIC

LIGHTHOUSE UTILITIES COMPANY, INC.
EXISTING WATER SYSTEM SCHEMATIC

LEGEND

-  To Be Abandoned
-  Destroyed by Hurricane Michael



ATTACHMENT 5
TABLET CHLORINATOR

Accu-Tab® chlorinators are made of rigid PVC with several standard sizes available for a wide array of municipal and industrial applications. Axial has an *Accu-Tab* chlorinator for nearly every requirement — from less than a pound a day to a few hundred pounds a day. The *Accu-Tab* system combines uniquely designed, patented chlorinators with slow release 68% calcium hypochlorite to provide one complete system for tablet chlorination.

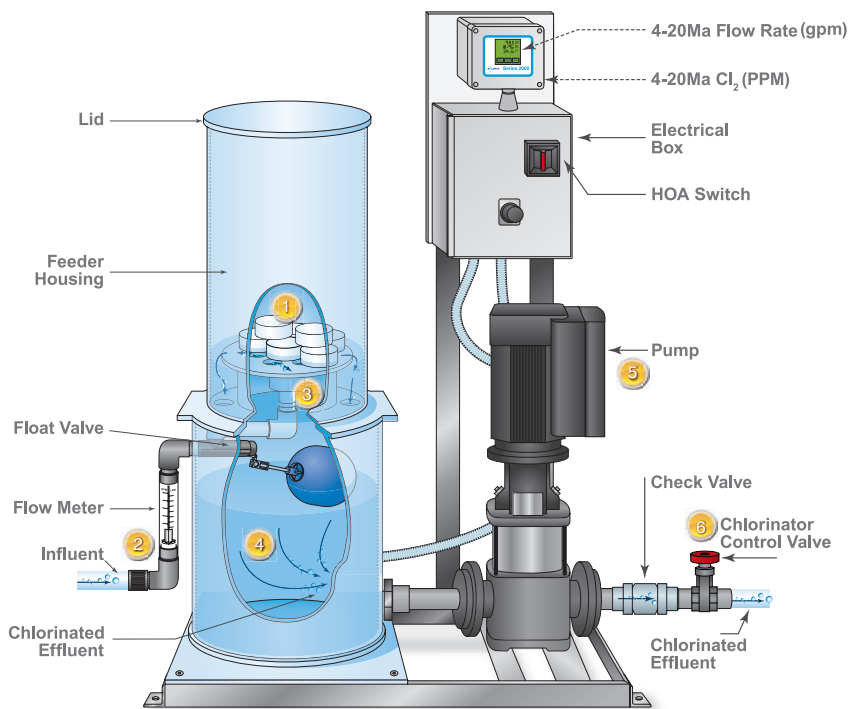


Model Number	Chlorine Delivery Range (lbs/hr.)	Tablet Capacity (lbs.)	Unit Inlet Size (Socket)	Unit Outlet Size (Socket)	Footprint*
2075 P	Up to 2.5	75	1-1/2"	1"	20" x 40"
2150 P	Up to 10.5	150	1-1/2"	1-1/2"	20" x 40"
2300 P	Up to 25	300	1-1/2"	1-1/2"	31" x 63"
2600 P	Up to 35	600	2"	1-1/2"	36" x 68"

*Footprint may vary depending on individual requirements.

How the Accu-Tab® System Works

The Accu-Tab® system is easy to install and can be integrated into any existing system with low capital investment. Once in place, the system runs simply and efficiently with little to no maintenance.

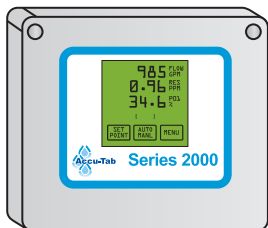


- 1 Accu-Tab three-inch tablets sit on top of a sieve plate inside the chlorinator.
- 2 Water flows into the chlorinator through the flow meter.
- 3 Untreated water rises through holes in the sieve plate contacting with bottom of tablets. The balance of the tablets remain dry.
- 4 Chlorinated water falls to the bottom solution tank.
- 5 Chlorinated water is returned to the main system by the pump.
- 6 Chlorine is adjusted with the chlorinator control valve.

2000 Series Model P Options

- Weigh scale and low tablet alarm
- Electrical voltage options
 - ◆ 110V 1PH
 - ◆ 220V 1PH
 - ◆ 230V 3PH
 - ◆ 460V 3PH

Series 2000 Controller Features



- Uses 4-20mA signal from customer's chlorine analyzer* to deliver consistent chlorine residual readings
- Offers chlorine delivery control at a fraction of the cost of other systems
- Provides residual control, flow-pacing and compound loop capability
- User interface similar to the PowerPro™ chlorination system
- Comes with standard warranty
- Available either pre-assembled with chlorinator or installed aftermarket

*3rd party supplier or customer provided

CHLORINATOR SIZING

Chlorinator Model	Surface Water*	Ground Water*
2075 P	100 - 1000 GPM	100 - 1500 GPM
2150 P	1000 - 2500 GPM	1500 - 3500 GPM
2300 P 2600 P	2500 + GPM	3500 + GPM

*Estimated sizing based on average usage.
Always consult your Accu-Tab System Specialist for proper sizing.

- Inlet solenoid valve recommended for pressure less than 50 psi.
- Inlet solenoid valve and pressure regulator required for pressure greater than 50 psi.
- Inlet solenoid valve and pressure regulators not included.



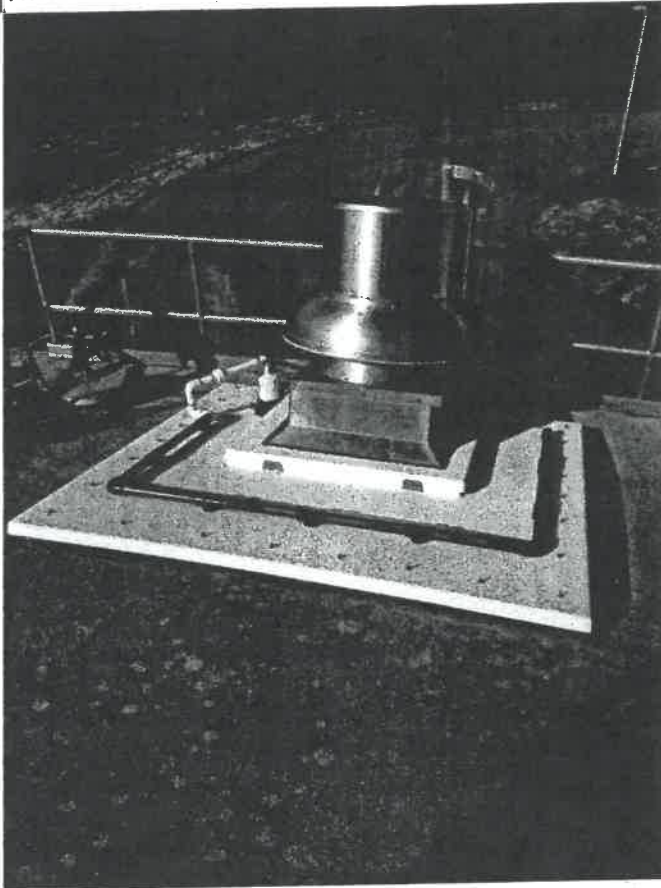
Axiall Water Treatment Products
11 Stanwix Street
Pittsburgh, PA 15222
800-245-2974
www.accu-tab.com

ATTACHMENT 6

WHITE PAPER ON TTHM STRIPPING SYSTEM

TTHM Stripping System

Jason Southerland
FRWA Water Circuit Rider



The City of Port St. Joe surface water treatment plant began prechlorinating with 0.5 ppm for manganese oxidation prior to their filtration system. As a result, TTHMs increased by an average of 83% across four distribution sampling locations. At each monitoring location, TTHMs had gone from the 50s and 60s (ppb) in the 2nd quarter of 2014 to approximately 100 ppb in the 3rd quarter of 2014.

After reviewing their options, the City operations staff chose to try a low-cost TTHM stripping system on their point-of-entry ground storage tank located at the treatment plant. The staff built this system themselves, so there was no added labor / installation costs.

This system consists of:

- A commercial ventilation fan
- A submersible pump such as is commonly used for residential wells
- 1 1/4" PVC piping & household showerhead

All installation work was performed around the fiberglass hatch on top of the ground storage tank. No tank entry or drainage was necessary. The submersible pump was mounted 6 feet above the floor of the tank, to avoid settled particles from being disturbed and sucked into the pump.

Holes were drilled in the pipe just below the pump for the intake. A 1 1/4" schedule 80 PVC pipe was used for the discharge line and was run vertically through the hatch on the roof of the tank. On top of the hatch, it loops around the hatch perimeter, and has 8 household showerheads protruding through the hatch to spray the water back into the tank.

The ventilation fan was installed in the center of the hatch. According to the staff, this was the most difficult part of the project, with safely getting the fan to the top of the tank being the hardest part. The showerheads allow for a fine enough stream of water for volatilization of TTHMs without creating too much mist, which would result in excessive water loss through the fan.

The staff showed me the parts invoices. Total cost came to approximately \$2,000 for the fan, piping, showerheads, and submersible pump. Again, no labor / installation costs were incurred because the city staff installed it. I don't have any information on the electricity costs of running the system 24 hours per day.

No permitting is required for this type of improvement. As a result of this innovational system, Port St. Joe's TTHMs at their compliance monitoring locations in the distribution system decreased by 68% in the 4th quarter of 2014, from approximately 100 ppb to the '20s - '40s across the monitoring locations. This is even lower than before the City began prechlorination in the summer of 2014.

Attachment 5

Description	Quantity	Unit	Unit Price	Extension	Anticipated Completion Dates
GENERAL COSTS					
1 Flushing/Testing Including Contract Labor	1	LS	\$ 5,000.00	\$ 5,000.00	Second Quarter 2021
2 Mobilization, Bonds, Insurance	1	LS	\$ 75,000.00	\$ 75,000.00	Fourth Quarter 2020
LUCI I IMPROVEMENTS					
3 Demolition of equipment, pipes, etc.	1	LS	\$ 10,000.00	\$ 10,000.00	Fourth Quarter 2020
4 Remove and Replace Chlorination system	1	LS	\$ 30,000.00	\$ 30,000.00	Second Quarter 2021
5 Electrical Repairs and Additions	1	LS	\$ 85,000.00	\$ 85,000.00	Second Quarter 2021
6 Abandon Existing 6" Well and install new 8" Well with 75 HP Pump	1	LS	\$ 300,000.00	\$ 300,000.00	Fourth Quarter 2020
7 2 - 20,000-Gal. Ground Storage Tanks, Installed (GCT)	1	LS	\$ 110,000.00	\$ 110,000.00	Second Quarter 2021
8 Remove and Replace High Service Pumps	1	LS	\$ 50,000.00	\$ 50,000.00	Second Quarter 2021
9 Yard Piping, large and small	1	LS	\$ 40,000.00	\$ 40,000.00	Second Quarter 2021
10 Remove and Replace Fencing	560	LF	\$ 20.00	\$ 11,200.00	Second Quarter 2021
11 Provide 2 Fence Gates	2	Ea	\$ 1,000.00	\$ 2,000.00	Second Quarter 2021
12 Repair Roof and Building	1	LS	\$ 1,000.00	\$ 1,000.00	Second Quarter 2021
13 Modify Building for New High Service Pumps	1	LS	\$ 20,000.00	\$ 20,000.00	Second Quarter 2021
14 Install mixer/sprayer/fan system	2	EA	\$ 5,000.00	\$ 10,000.00	Fourth Quarter 2020
15 Install Finished Water Meter	1	LS	\$ 27,900.00	\$ 27,900.00	Second Quarter 2021
LUCI II IMPROVEMENTS					
16 Remove and Replace Fencing	870	LF	\$ 20.00	\$ 17,400.00	Second Quarter 2021
17 Provide Fence Gate	1	Ea	\$ 1,000.00	\$ 1,000.00	Second Quarter 2021
18 Repair Office Building and Equipment	1	LS	\$ 7,500.00	\$ 7,500.00	Second Quarter 2021
19 Repair Pump Roof and Building	1	LS	\$ 2,000.00	\$ 2,000.00	Second Quarter 2021
20 Install mixer/sprayer/fan system	1	LS	\$ 5,000.00	\$ 5,000.00	Fourth Quarter 2020
21 Install Finished Water Meter	1	LS	\$ 30,000.00	\$ 30,000.00	Second Quarter 2021
LUCI III IMPROVEMENTS					
22 Install mixer/sprayer/fan system	1	LS	\$ 5,000.00	\$ 5,000.00	Fourth Quarter 2020
23 Install Chlorinator (Tablet System)	1	LS	\$ 30,000.00	\$ 30,000.00	Fourth Quarter 2020
24 Electrical (control and power)	1	LS	\$ 5,000.00	\$ 5,000.00	Fourth Quarter 2020
				5% Contingency	\$ 44,000.00
				Engineer's Cost Opinion of Construction Total	\$ 924,000.00
Design, Permitting, Construction Engineering and Inspection					\$ 70,000.00
					Design - Third Quarter 2020 Permitting - Third Quarter 2020 Construction - Second Quarter 2021
				Engineer's Cost Opinion of Total Project	\$ 994,000.00

Notes

- 1 The above does not include emergency repair costs already incurred by LUCI
- 2 The above assumes the existing tank slab is sufficient for the proposed tanks (similar to tanks destroyed by Hurricane Michael)
- 3 The above does not include consumptive use permitting

Attachment 6



P.O. Box 4120
Scottsdale, AZ 85261-4120

480-365-4000
1-800-423-7675

December 20, 2018

Lighthouse Utilities Company
PO Box 428
Port Saint Joe, FL 32457

RE: Insured: Lighthouse Utilities Company
Policy No.: CPS3003777
Claim No.: 01862638
Date of Loss: October 10, 2018
Loss Location: 7521 County Rd 30A, Port St. Joe, FL 32456
5610 SR-30A, Port St. Joe, FL 32456
7182 Cape San Blas Rd, Port St. Joe, FL 32456
Type of Loss: Hurricane Michael

Dear Mr. Rish:

We are writing in regard to your claim for damage as referenced above.

We retained an adjuster to inspect the damage to your properties. The adjuster has determined the cause of the loss to be wind, storm surge, and waves.

The causes of the damage as determined by the adjuster are not covered causes of loss under the terms of the policy of insurance.

Please refer to your policy, form CP 00 10 (10-12) BUILDING AND PERSONAL PROPERTY COVERAGE FORM, which states as follows:

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

We now call your attention to the Causes of Loss Form, Form No. CP 10 30 (09-17) CAUSES OF LOSS – SPECIAL FORM, which states:

Words and phrases that appear in quotation marks have special meaning. Refer to Section G. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

1. **We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.**

g. Water

- (1) **Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);**
- (2) **Mudslide or mudflow;**
- (3) **Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;**
- (4) **Water under the ground surface pressing on, or flowing or seeping through:**
 - (a) **Foundations, walls, floors or paved surfaces;**
 - (b) **Basements, whether paved or not; or**
 - (c) **Doors, windows or other openings; or**
- (5) **Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.**

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

Your policy also contains the following endorsement, which reads as follows:

CP 10 54 (06-07) WINDSTORM OR HAIL EXCLUSION

This endorsement modifies insurance provided under the following:

**CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
STANDARD PROPERTY POLICY**

SCHEDULE

Premises Number	Building Number
1-3	1

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With respect to the location(s) indicated in the Schedule, the following provisions apply.

- A. The following is added to the Exclusions section and is therefore not a Covered Cause of Loss:**

WINDSTORM OR HAIL

We will not pay for loss or damage:

- 1. Caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or**
- 2. Caused by rain, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the Windstorm or Hail.**

But if Windstorm or Hail results in a cause of loss other than rain, snow, sand or dust, and that resulting cause of loss is a Covered Cause of Loss, we will pay for the loss or damage caused by such Covered Cause of Loss. For example, if the Windstorm or Hail damages a heating system and fire results, the loss or damage attributable to the fire is covered subject to any other applicable policy provisions.

- B. The terms of the Windstorm Or Hail exclusion, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this policy.**
- C. Under Additional Coverage – Collapse, in the Causes Of Loss – Broad Form, Windstorm or Hail is deleted from Paragraph 2.a.**
- D. In the Causes Of Loss – Special Form, Windstorm or Hail is deleted from the "specified causes of loss".**
- E. Under Additional Coverage Extensions – Property In Transit, in the Causes Of Loss – Special Form, Windstorm or Hail is deleted from Paragraph b.(1).**

The policy provides coverage for your buildings for covered causes of loss. The policy excludes from coverage any damage caused directly or indirectly by flood, storm surge, waves, overflow of any body of water, and waterborne material, regardless of any other cause that contributes concurrently or in sequence to the loss. The policy also excludes damages caused directly or indirectly by wind. Therefore, the policy does not provide coverage for the damages to your buildings, or any resulting loss of income.

Unfortunately, we will not be able to make any payment.

The Company reserves the right to review any additional claims or amendments to this claim and to make a separate determination as to whether a new claim or amendment to this claim is covered by the policy. Any decision we make regarding coverage is based on the facts as presented to us prior to our coverage determination and should not be construed as applicable to a new claim or an amendment to this claim. Our right to have notice of either situation is reserved, as are the notice conditions of the policy.

The state of Florida requires we advise of the following: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

If you believe there is additional information that should be considered or some other reason your policy should provide coverage, please provide that information in writing within 30 days of receipt of this letter.

Sincerely,

Scott Pate

Scott Pate
Claims Analyst
480-365-2204

cc: Agent No. 09017



Property Binder

Expires: 3/21/2018
Transaction Type: Renewal
Expiring Policy Number: CPS2557374

Access

10201 Centurion Parkway North
Jacksonville, FL 32256

T 904.996.0007

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December 21, 2017

Wanda Day
Peoples First Insurance, Inc.
1002 W. 23rd. St.
Panama City, FL 32405

Binder Overview

We have received the following Property Binder for the captioned insured. Please review carefully and advise at your earliest convenience.

POLICY NUMBER:	CPS3003777	Premium:	\$1,817.00
POLICY PERIOD:	From 12/21/2017 to 12/21/2018	Fees*:	\$35.00
CARRIER:	Scottsdale Insurance Company <u>View A.M. Best Rating</u>	Taxes**:	\$98.45
APPLICANT:	Lighthouse Utilities Company	Total:	\$1,950.45
DBA	William Jay Rish-President	State Tax and fees are subject to change due to state legislation at the time of binding.	
MAILING ADDRESS:	PO Box 428 Port Saint Joe, FL 32457		
MINIMUM EARNED PREMIUM:	25%		

Property Coverage Information

Location 1

5610 SR-30A, Port St Joe, FL. 32456

Insurable Value: \$50,000

Building 1

Loc. 1/1
1190 - (1190)
Property in the open
such as pump
houses, platforms or
pads for mobile
home or
recreational vehicles

Construction Type: Frame
Protection Class: 6
of Stories: 1
Year Built: 1999
Updated: No

Basement: No Basement
Total Area: 700SqFt
Sprinkler System: None
Alarm System: None

Coverage	Limit	Valuation	Cause of Loss	Co-Ins	Deductible	Rate	Premium
Building	\$50,000	RC	Special Ex Theft Excluding Wind	80%	\$2,500 Per Occurrence	0.4700	\$235.00
PUMP STATION							

Location 2

7521 COUNTY ROAD C-30, Port Saint Joe, FL. 32456

Insurable Value: \$100,000

Building 1

Loc 2/1
1190 - (1190)
Property in the open
such as pump
houses, platforms or
pads for mobile
home or
recreational vehicles

Construction Type: Frame
Protection Class: 6
of Stories: 1
Year Built: 1999
Updated: No

Basement: No Basement
Total Area: 1,000SqFt
Sprinkler System: None
Alarm System: None

Coverage	Limit	Valuation	Cause of Loss	Co-Ins	Deductible	Rate	Premium
Building	\$100,000	RC	Special Ex Theft Excluding Wind	80%	\$2,500 Per Occurrence	0.4700	\$470.00
PUMP STATION							

Location 3

7182 CAPE SAN BLAS ROAD, Port Saint Joe, FL. 32456

Insurable Value: \$250,000

Building 1

Loc 3/1
1190 - (1190)
Property in the open
such as pump
houses, platforms or
pads for mobile
home or
recreational vehicles

Construction Type: Joisted Masonry
Protection Class: 6
of Stories: 1
Year Built: 1999
Updated: No

Basement: No Basement
Total Area: 1,000SqFt
Sprinkler System: None
Alarm System: None

Coverage	Limit	Valuation	Cause of Loss	Co-Ins	Deductible	Rate	Premium
Building	\$250,000	RC	Special Ex Theft Excluding Wind	80%	\$2,500 Per Occurrence	0.4100	\$1,025.00
PUMP STATION							

Additional Coverages

Additional Coverage	Details	Premium
Terrorism		\$87.00

Forms

Form	Edition	Description
<u>IL0017</u>	(11/98)	COMMON POLICY CONDITIONS
<u>IL0953</u>	(01/15)	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
<u>NOTS0381FL</u>	(07/09)	FLORIDA POLICYHOLDER NOTICE
<u>NOTX0178CW</u>	(03/16)	CLAIM REPORTING
<u>NOTX0423CW</u>	(02/15)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
<u>OPS-D-1</u>	(01/17)	COMMON POLICY DECLARATIONS
<u>UTS-119g</u>	(06/14)	MINIMUM EARNED CANCELLATION PREMIUM
<u>UTS-29-FL</u>	(06/97)	CANCELLATION AND NONRENEWAL—FLORIDA
<u>UTS-9g</u>	(05/96)	SERVICE OF SUIT CLAUSE
<u>UTS-COVPG</u>	(01/16)	COVER PAGE
<u>UTS-SP-2</u>	(012/95)	SCHEDULE OF FORMS AND ENDORSEMENTS
<u>UTS-SP-3</u>	(08/96)	SCHEDULE OF LOCATIONS
<u>CFS-103-FL</u>	(01/16)	SEWER OR DRAIN DEFINITION ENDORSEMENT-FLORIDA
<u>CFS-68s-FL</u>	(01/12)	CHANGES-FLORIDA
<u>CP0010</u>	(10/12)	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
<u>CP0090</u>	(07/88)	COMMERCIAL PROPERTY CONDITIONS
<u>CP0140</u>	(07/06)	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
<u>CP1030</u>	(09/17)	CAUSES OF LOSS-SPECIAL FORM
<u>CP1033</u>	(10/12)	THEFT EXCLUSION
<u>CP1054</u>	(06/07)	WINDSTORM OR HAIL EXCLUSION
<u>CPS-SD-1</u>	(02/16)	COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS
<u>IL0401</u>	(02/12)	FLORIDA - SINKHOLE LOSS COVERAGE

Conditions

Binding of this risk may be subject to any moratoriums raised by the insurance company due to warnings or watches associated with a natural disaster or an imminent or ongoing event that threatens catastrophic losses.

Unless otherwise indicated, premium is due within 20 days of binding. Premiums not received within this time period may result in Notice of Cancellation.

Once the policy is bound some premium will be earned (as reflected in minimum earned premium). There are no flat Cancellations allowed.

***Fees**

State	Fee	Taxable	Amount
FL	AmWINS Service Fee	Yes	\$35.00
Total Fees Due			\$35.00

****Taxes**

State	Description	Taxable Premium	Taxable Fee	Tax Basis	Rate	Amount
FL	DEM EMP				Flat	\$4.00
FL	Stamping Fee	\$1,817.00	\$35.00	\$1,852.00	0.100%	\$1.85
FL	Surplus Lines Tax	\$1,817.00	\$35.00	\$1,852.00	5.000%	\$92.60
Total Surplus Lines Taxes Due						\$98.45

Sincerely,

Lisa Carrasquillo

Senior Underwriting Assistant | AmWINS Access Insurance Services, LLC
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10201 Centurion Parkway North | Suite 500 | Jacksonville, FL 32256 | amwins.com

On behalf of,

Michael Goodfriend

Vice President | AmWINS Access Insurance Services, LLC
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