



RADEY

ATTORNEYS & COUNSELORS at LAW

PHONE (850) 425-6654 FAX (850) 425-6694 WEB WWW.RADEYLAW.COM
MAIL POST OFFICE BOX 10967 | TALLAHASSEE, FL 32302 OFFICE 301 SOUTH BRONOUGH ST. | STE. 200 | TALLAHASSEE, FL 32301

tcrabb@radeylaw.com

January 14, 2022

Via Electronic Filing

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Application for Authority to Transfer; CSWR-Florida Utility Operating
Company, LLC; Neighborhood Utilities, Inc.

Dear Commission Clerk:

Attached please find an Application for Authority to Transfer filed by CSWR Florida Utility Operating Company, LLC ("CSWR-Florida UOC") relating to Neighborhood Utilities, Inc. A filing fee in the amount of \$1,500.00, as well as a Request for Confidential Classification as to Exhibit D and a Request for Confidential Classification as to Exhibit H of the Application, will be separately hand delivered to the Office of Commission Clerk.

Sincerely,

/s/ Thomas A. Crabb

Thomas A. Crabb
Susan F. Clark
Attorneys for Applicant
CSWR-Florida Utility Operating Company, LLC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of water facilities of Neighborhood Utilities, Inc. and Water Certificate No. 430-W to CSWR-Florida Utility Operating Company, LLC, in Duval County.

Docket No.: _____

APPLICATION FOR TRANSFER OF FACILITIES AND CERTIFICATE FROM A REGULATED UTILITY TO ANOTHER REGULATED UTILITY

CSWR-Florida Utility Operating Company, LLC (“CSWR-Florida UOC” or “Applicant”), pursuant to section 367.071, Florida Statutes, and rule 25-30.037(2), Florida Administrative Code, applies for transfer of the facilities and Water Certificate No. 430-W of Neighborhood Utilities, Inc. in Duval County.

FILING FEE

The water system of the utility to be transferred has the capacity to serve up to 686 ERCs. Pursuant to rule 25-30.020(2)(c), F.A.C., the filing fee is \$1,500.00, which will be submitted concurrently with the filing of this application.

PART I. APPLICANT INFORMATION

A. Contact Information for Utility/Seller

Utility Name: Neighborhood Utilities, Inc.
Street/Mailing Address: 1381 Cassat Avenue
Jacksonville, FL 32205
Phone Number: (904) 387-0487
Fax Number: None
FEIN: 59-2192528
Email address: wlarryo@hotmail.com
Website address: nuijax.com
Water Certificate No.: 430-W
Wastewater Certificate No.: N/A

B. Contact Information for Utility/Seller’s Authorized Representative

Name: W. Larry O’Steen
Mailing Address: 1381 Cassat Avenue
Jacksonville, FL 32205
Phone Number: (904) 387-0487
Fax Number: None
Email address: wlarryo@hotmail.com

C. Contact Information for Buyer/Applicant

Buyer's Name: CSWR-Florida Utility Operating Company, LLC
Office Street Address: 1650 Des Peres Road, Suite 303
St. Louis, MO 63131
Phone Number: (314) 736-4672
Fax Number: (314) 736-4743
FEIN: 38-4180174
Email address: regulatory@cswrgroup.com
New Utility Name: CSWR-Florida Utility Operating Company, LLC

The Buyer as defined in the purchase agreement is "Central States Water Resources, Inc. or its affiliate." Prior to closing, Central States Water Resources, Inc., or its affiliate, will assign all rights and interests to CSWR-Florida UOC.

D. Contact Information for Buyer's Authorized Representatives

Name: Susan F. Clark, Esq.
Thomas A. Crabb, Esq.
Mailing Address: Radey Law Firm
301 South Bronough Street, Suite 200
Tallahassee, FL 32301
Phone Number: (850) 425-6654
Fax Number: (850) 425-6694
Email addresses: sclark@radeylaw.com
tcrabb@radeylaw.com
sturner@radeylaw.com
dgueltzow@radeylaw.com

E. Contact Information for Person in Possession of Books and Records

Name: W. Larry O'Steen
Mailing Address: 1381 Cassat Avenue
Jacksonville, FL 32205
Phone Number: (904) 387-0487
Fax Number: None
Email address: wlarryo@hotmail.com

If the Public Service Commission audits the books and records of the Utility/Seller as part of this docket, then the primary point of contact for the audit should be the Seller's Authorized Representative, Mr. O'Steen. Applicant requests that Buyer's Authorized Representative, Tom Crabb (tcrabb@radeylaw.com; sturner@radeylaw.com), be copied on all audit correspondence, document and data requests, etc. from the Commission relating to the audit.

F. Buyer's Business Organization

The Applicant is a Florida limited liability company created on March 31, 2021, document number L21000150005. Applicant is not doing business under a fictitious name. Attached as **Exhibit A** are Applicant's Articles of Organization and documents from the Florida Department of State, Division of Corporations, showing Applicant's business name and active document number.

The Buyer/Applicant CSWR-Florida UOC is wholly owned by CSWR-Florida Utility Holding Company, LLC, a Florida limited liability company whose principal address is 1650 Des Peres Road, Suite 303, St. Louis, MO 63131.

PART II. TRANSFER OF CERTIFICATE

A. Description of Sale Agreement

Attached as **Exhibit B** is a copy of the executed Agreement for Purchase and Sale of Utility System ("Agreement").

A closing date is not specified in the Agreement as closing is dependent upon, among other things, a Commission order authorizing transfer of the Seller's assets. All conditions that must be satisfied before closing are specified in Section 8 of the Agreement.

The purchase price for the Seller's assets is located in Section 4 of the Agreement. The purchase price, less any earnest money, shall be payable in cash at closing by wired funds and shall be paid on the Closing Date as defined in Section 5 of the Agreement.

CSWR-Florida UOC is not acquiring any non-regulated assets or operations of the Seller and is not assuming any of Seller's liabilities or obligations. The transaction is limited to the acquisition of assets used to provide regulated utility service. As the list of assets being purchased, attached as **Exhibit C** is the "Water Utility Plant Accounts," page W-1 from the Seller's 2020 Annual Report to the Commission.

In addition, Section 1 of the Agreement generally describes the property to be acquired. Following conclusion of the Feasibility Period (as defined in Section 8.D of the Agreement) and prior to closing, major units or items of acquired property (land, improvements, and rights of way, tools, devices, equipment, furniture, fixtures, machinery, supplies, and other material tangible items) will be identified and included on exhibits A and B to the Agreement; however, the dollar values of those items will not be individually identified.

The purchase price will be paid in cash at closing. There is no other consideration between the parties, including salaries, retainer fees, stock, stock options, or assumption of any Seller obligation.

Under the terms of the Agreement, CSWR-Florida UOC is not acquiring or assuming responsibility for pre-closing obligations of the Seller, including Seller's obligations related to

customer deposits. Prior to closing, it would be Seller's responsibility to return any such deposits in accordance with Florida Commission rules and Seller's approved tariff. Prior to closing, CSWR-Florida UOC will review all leases and developer agreements and will assume or renegotiate those agreements on a case-by-case basis. Any customers or developers who paid advances to Neighborhood Utilities prior to closing will be given full credit for those payments after closing.

Upon closing, CSWR-Florida UOC will fulfill the commitments, obligations, and representations of the Seller with regard to utility matters.

CSWR-Florida UOC has or will obtain the books and records of the Seller, including all supporting documentation for rate base additions since the last time rate base was established. The books and records of CSWR-Florida UOC will be maintained using the NARUC Uniform System of Accounts.

CSWR-Florida UOC will comply with the requirements of Rule 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location.

B. Financial Ability

CSWR-Florida UOC was created for the purpose of acquiring and operating water and wastewater systems in Florida as a public utility. Unless and until it acquires such systems, the Applicant has no financial statements. In lieu of such information, the 2019 and 2020 audited financial statements of CSWR, LLC and its subsidiaries are provided in redacted form and attached as **Exhibit D**. An unredacted version of Exhibit D, along with a Request for Confidential Classification for the same, will be separately filed.

Attached as **Exhibit E** is the CSWR organization chart showing CSWR-Florida UOC and its affiliates. US Water Systems, LLC, is the sole member (i.e., 100% owner) of CSWR, LLC ("CSWR"). No partner or affiliated company has provided debt financing to CSWR.

To fund the acquisition proposed in this application, CSWR will invest sufficient equity in CSWR-Florida UOC to (a) pay the purchase price and all costs related to the acquisition of assets currently owned by Seller; (b) fund necessary capital improvements; and (c) provide working capital to sustain operations until fully compensatory rates are implemented and CSWR-Florida UOC becomes self-sufficient.

C. Technical Ability

1. Experience In The Water And Wastewater Industry

CSWR-Florida UOC is part of an affiliated group of holding and utility operating companies currently providing water and wastewater services to customers in Missouri, Arkansas, Kentucky, Texas, Louisiana, Tennessee, Mississippi, Arizona, and North Carolina. The affiliate group includes CSWR, which employs personnel with managerial and operational expertise necessary to provide essential services to its utility affiliates. The services CSWR provides

include, but are not limited to, executive management, administrative, legal, accounting, finance, engineering, accounts payable, and risk management. CSWR also invests equity capital used to acquire utility assets and systems (such as those for which authority is sought by this application), make required capital improvements, and provide working capital necessary to operate those systems until they become self-sufficient.

Since their formation, CSWR and its affiliates have invested more than \$150 million to acquire and operate water and wastewater systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, Mississippi, Tennessee, North Carolina, and Arizona. Combined, these systems currently serve approximately 70,000 water and 110,000 wastewater customers. In each of those jurisdictions state utility regulators determined CSWR and its affiliates have the financial strength and the managerial and operational experience and expertise necessary to acquire, improve, own, and operate water and wastewater systems in a manner that serves the public interest.

CSWR's operating company affiliates have also filed or soon will file acquisition applications in Missouri, Texas, Kentucky, and Tennessee, as well as in North Carolina, Arizona, and Mississippi, states beyond Florida into which CSWR is looking to expand.

CSWR's business plan is to purchase and recapitalize water and wastewater systems and to operate those systems as investor-owned regulated utilities. Most of the systems acquired are not providing safe and reliable service. Many of the systems CSWR acquires are out of compliance with state utility commission rules and with federal and state environmental or public health laws. Many of the systems also lack the federal and/or state permits required to lawfully operate. And many have not increased rates for a decade or more and therefore lack the financial resources necessary to build, maintain, and make replacements to the systems.

In other states, CSWR's utility operating companies have acquired distressed systems, invested the capital necessary to construct or repair the physical facilities, and provided the managerial experience and expertise required to operate those systems in a way that satisfies customers, regulators, and investors alike. If given the opportunity, we can bring those same financial resources and the same managerial and operational expertise to the systems we propose to acquire in Florida.

If this application is approved, CSWR-Florida UOC would hire one or more unaffiliated operations and maintenance firms (preferably local) that have knowledgeable and experienced personnel and that hold all Florida licenses necessary to manage daily operations of the system at issue in this application. CSWR-Florida UOC would also use an unaffiliated billing and customer service firm – the same firm currently used by its affiliates outside Florida.

CSWR has developed a centralized computerized maintenance management system that monitors the performance of its water and wastewater systems and allows personnel to track ongoing maintenance and testing activities of all third-party contractors. In addition, CSWR uses GIS survey information to accurately map all infrastructure assets, which enables anticipatory and targeted infrastructure investment. CSWR's outside firms are required to provide 24-hour emergency service phone numbers to report service issues, provide on-call emergency service personnel who must respond within prescribed time limits, use a computerized maintenance

management system for wastewater and drinking water utility assets, provide online bill payment options, and use up-to-date website bulletins about current service status.

While day-to-day operational, billing, and customer service functions would be provided by contractors, all management, financial reporting, underground utility safety and location services, Commission regulatory reporting, environmental regulatory reporting and management, operations oversight, utility asset planning, engineering planning, ongoing utility maintenance, utility record keeping, and final customer dispute management would be performed by personnel at CSWR's corporate office. CSWR personnel also would monitor the activities of contractors to make sure the systems are being operated and maintained properly and customer needs are being met.

Brief biographies of CSWR's key executive and operational leaders are attached as **Exhibit F**. Additional information regarding CSWR and its affiliates, including case studies showing the significant improvements made in some of the acquired systems can be found on CSWR's website: <https://www.centralstateswaterresources.com>.

2. Continued Operation Of The Utility

CSWR-Florida UOC plans to use one or more appropriately qualified and licensed contract operators to handle day-to-day inspections, checks, sampling, reporting, and meter reading. The contract operator also would be responsible for necessary system repairs, as well as extraordinary issues that arise from time to time, to ensure proper facility operations. All contractor activities would be tracked by a computerized maintenance system. In addition, a computerized plant monitoring system would integrate repair and system operations data into a single water information management platform that includes all systems operated by CSWR-Florida UOC's affiliates.

The Applicant will use a contractor for billing and handling customer calls. The contractor would be responsible for computing, printing, and sending monthly bills to customers and for collecting payments. The billing contractor's staff would also field and process customer bill inquiries, make bill adjustments, address customer requests for payment plans, and interact with Commission Staff regarding billing issues as necessary. Billing contractor employees are trained to route any customer service complaints and inquiries to the service contractor.

Contractors providing day-to-day operations and maintenance services are selected through a competitive bidding process. The contractor providing billing and related services for CSWR affiliates in Missouri, Arkansas, Kentucky, Texas, Louisiana, Mississippi, Arizona, North Carolina, and Tennessee would likely be used in Florida. By using this contractor, Nitor Billing Services, LLC, CSWR-Florida UOC would have access to proprietary systems developed to meet the needs of the affiliate group and its customers. CSWR-Florida UOC also would benefit from economies of scale available from a systemwide customer service vendor.

As needed, CSWR-Florida UOC would implement operational changes to improve and enhance customer service. In addition, upon acquisition customers would have access to a 24-hour phone line to report any utility service issues. Those calls would then be transferred into the

computerized maintenance management system and converted into work orders, which creates a historical record of all reported service issues. The work order also would ensure contracted customer service personnel can commence work required to address customer service issues quickly and efficiently. The Applicant would ensure customers served by the system have access to customer service representatives during normal business hours to talk about any customer concerns. Additionally, CSWR-Florida UOC would establish a utility-specific webpage and dedicated email address to keep customers informed about their utility service. Mirroring the relevant utility homepage information, the Applicant will also implement a dedicated social media page to offer another avenue of communication with customers about utility matters. The social media account will be staffed by customer service representatives who can quickly answer customer questions. Finally, the Applicant would offer online bill paying options to customers including e-checks and debit and credit cards.

D. Territory Description, Public Interest, and Facilities

1. Territory Description

Attached as **Exhibit G** is a copy of the legal description of the proposed service area in Duval County, Florida. This is the same territory currently served by the Seller.

2. Public Interest

Approving the proposed transfer of the system is in the public interest. CSWR has demonstrated it has the managerial and operational expertise and experience necessary to own and operate many water and wastewater systems. It also has access to the capital necessary to repair and upgrade systems to ensure they comply with all health and environmental regulations and provide safe and reliable service to customers.

CSWR's utility operating companies have a proven track record of acquiring small, oftentimes distressed, water and wastewater systems, making the repairs and upgrades those systems require, and operating them in a way that pleases utility and environmental regulators alike. Utility and environmental regulators in several states have sought out CSWR affiliates to become the emergency operator of systems in need of immediate aid. The Missouri Public Service Commission and the Missouri Department of Natural Resources have recognized the solid track record CSWR-affiliated utilities have established for acquiring, rehabilitating, maintaining, and operating troubled water and wastewater systems in that state. In all the states where we have been authorized to acquire systems, the public utility commission found the group has the financial, technical, and managerial ability necessary to serve the public. Moreover, in many of our states the regulators have approved multiple acquisitions, showing that we have established a track record of service in the public interest.

As our website states, the mission of CSWR and its affiliated utilities is to bring safe, reliable, and environmentally responsible water resources to every community in the United States. As it works to accomplish that objective, the group is transforming how water utilities work by using technology and innovation to quickly assess and invest in reliable infrastructure that meets

or exceeds stringent state and federal safety standards, ensuring all communities have access to safe, clean, and reliable water resources while protecting essential natural resources.

3. Condition Of The System

CSWR-Florida UOC's preliminary engineering analysis of the system (Water System Assessment performed by Woodard & Curran) is attached as **Exhibit H**. Exhibit H will be separately filed along with a Request for Confidential Classification. This assessment identifies components of the system that are in need of repair or improvement. Section 2.2 of the exhibit provides information on the system's recent compliance history. Sections 2.3 ("Recommended Repairs and Improvements") and 4 ("Capital Estimates") detail recommended repairs and improvements and cost estimates for the same. When CSWR-Florida UOC receives the final version of the Water System Assessment from Woodard & Curran, including its appendices, it will file the same as a revised Exhibit H.

Pursuant to rule 25-30.037(2)(q) F.A.C., the system is in need of repairs and improvements, including those identified in Exhibit H, for which CSWR-Florida UOC will be responsible. No governmental authorities are presently requiring repairs or improvements to the system.

4. Right To Continued Long-Term Use Of Land

Attached as **Exhibit I** is an unrecorded draft deed. CSWR-Florida UOC commits to filing the executed and recorded deed with the Commission within sixty (60) days after closing. See sections 5 and 6.D of the Agreement for additional information relating to title transfer.

5. Current Permits

Attached as **Exhibit J** is the Seller's current permit from the St. Johns River Water Management District ("SJRWMD"). The SJRWMD advises that they cannot process a transfer application for this permit until after title closing of the real estate, which cannot occur until after the Commission approves the acquisition. Accordingly, CSWR-Florida UOC commits to filing with the Commission a copy of the WMD transfer application within sixty (60) days of closing.

6. Most Recent DEP and/or County Health Department Reports

Attached as **Exhibit K** are copies of the most recent DEP sanitary survey inspection and water quality standards report.

7. Correspondence with the DEP, County Health Department, and Water Management District

Reports submitted to DEP regarding the Neighborhood Utilities, Inc. water system (DEP Facility ID #2164279) are available at the following link:

<https://prodenv.dep.state.fl.us/DepNexus/public/electronic-documents/2164279/facility!search>

Information relating to the 2020 renewal of the St. Johns River Water Management District consumptive use permit # 756 are available at the following link:

<https://permitting.sjrwmd.com/ep/#/prmtInfo?curId=&hdr=1&usrId=0&offclId=756&seqNo=6>

In addition, the Seller has compiled all its e-mail and other such correspondence with the DEP and SJRWMD within the last five years, which total over 700 pages. CSWR-Florida UOC will provide these documents to the Commission upon request.

The Seller advises there is no correspondence within the last five years with the county health department.

8. Customer Complaints

Neighborhood Utilities advises that it has not received any customer complaints regarding DEP secondary water quality standards during the past five years.

E. Proposed Tariff

Attached as **Exhibit L** is a copy of Neighborhood Utilities' current tariff containing the rates, classifications, charges, rules, and regulations.

F. Accounting Information

1. Proposed Net Book Value; Acquisition Adjustment; Rate Base

Net Book Value

The best information currently available regarding the Net Book Value ("NBV") of the assets that CSWR-Florida UOC proposes to acquire is Neighborhood Utilities' 2020 Annual Report. As shown on page F-4 of that document (attached as **Exhibit M**), as of December 31, 2020, the NBV of Neighborhood Utilities' water system was \$59,441 (Total Net Utility Plant less Total Net C.I.A.C.). However, based on the experience of CSWR operating company affiliates outside Florida, annual reports and the books and records of selling utilities may not capture all investment that can be categorized as utility plant under the Uniform System of Accounts. Therefore, CSWR-Florida UOC will not be able to definitively determine NBV until a thorough post-closing review of relevant plant and accounting records is completed.

Acquisition Adjustment

The agreed purchase price for Neighborhood Utilities' assets, \$460,000, was reached through arms-length negotiations. As there is no wastewater system involved, the entirety of the purchase price is allocated to the water system assets for regulatory purposes. CSWR-Florida UOC seeks recognition of the full purchase price in its rate base for future ratemaking purposes. Accordingly, CSWR-Florida UOC requests a positive acquisition adjustment for the difference between the purchase price and the NBV, based on extraordinary circumstances as provided in

rule 25-30.0371, F.A.C. The financial strength and managerial and operational experience of CSWR will provide benefits to the customers of Neighborhood Utilities in terms of cost-efficiencies, quality of service improvements, improvements in regulatory compliance and rate stability over the long-term. CSWR has a proven track record in delivering on promises to improve utility service and customer satisfaction.

At this time, CSWR-Florida UOC is unable to quantify the impact to customers of the requested acquisition adjustment due to the many variables that can impact rates. These variables include capital structure, ROI, amortization periods, and various other factors that could influence the projected impact.

The rule factors supporting the requested positive acquisition adjustment are discussed in more detail below.

Cost Efficiencies

CSWR's size and its consolidation of many small systems under one financing and managerial entity will result in cost efficiencies in the operation of Neighborhood Utilities' water system, particularly in the areas of:

- PSC and environmental regulatory reporting
- Managerial and operational oversight
- Utility asset planning
- Engineering planning
- Ongoing utility maintenance
- Utility record keeping
- Customer service responsiveness
- Improved access to capital necessary to repair and upgrade Neighborhood Utilities to ensure compliance with all health and environmental requirements and ensure service to customers remains safe and reliable

The Applicant believes that customers would benefit from economies of scale and other advantages available from CSWR. While this does not necessarily reflect cost savings compared to the current operations expenses of the Seller, the advantages of this acquisition are reflected in CSWR's resources pertaining to customer service, an advanced computerized maintenance management system, and personnel with years of experience across over 300 plants. After owning and operating the system for a short period of time, the Applicant will be able to accurately assess costs to more accurately reflect the actual operating needs and characteristics of the system.

Improvements in Quality of Service

- Provision of 24-hour emergency service phone numbers to report service issues
- On-call emergency service personnel who are required to respond to emergency service calls within prescribed time limits

- Use of a computerized maintenance management system that converts information into work orders creating a historical record of service issues to ensure that customer service personnel can quickly address service issues
- Access to managerial and operational resources not generally available to a system the size of Neighborhood Utilities and the ability to supplement Neighborhood Utilities' local personnel with the resources of CSWR and other CSWR-owned systems
- Online bill payment options
- An updated website that provides another avenue for customer communication, bulletins on current service status, procedures for service initiation and discontinuation, and educational information relevant to utility service

CSWR-Florida UOC believes that the quality of service will be improved by its access to resources. In particular, the quality of service relating to Operations & Maintenance and Customer Service will improve drastically.

CSWR uses the Computerized Maintenance Management System (CMMS) program Utility Cloud to facilitate field work, inspections, maintenance schedules, and reporting for all facilities. This allows CSWR to manage data, work, and compliance across plant and distributed field assets. Utility Cloud has been implemented in other jurisdictions to assist in avoiding compliance and equipment failures with real-time data monitoring across people, machines, and sensors throughout all our service areas.

The main benefit that Utility Cloud offers CSWR is that the system is a highly configurable, easy-to-use asset management tool that helps all parties distribute work, report on maintenance, and streamline compliance reports. With the system being highly configurable CSWR can build out the systems efficiently and begin tracking maintenance and improvements on day one of ownership. Most of the operators of this system require only a 4-hour training session to be able to navigate, create and assign work, and complete the Work Orders. The ability to get CSWR's contract operators trained so quickly speaks volumes to how easy the system is to operate. That initial training is adequate for 90% of our operators.

Features of Utility Cloud that CSWR has implemented that have been beneficial to our operations and that have streamlined time-consuming processes consist of:

- Automating the completion and submission of compliance reports using the exact field data crews collect;
- Using custom accounts, security roles, and user rights to maintain the separation between projects and managing multiple contractors while storing all CSWR's data in one database;
- Managing and tracking maintenance history on all assets to assist in identifying potential capital improvement projects;
- Creating custom alerts to trigger as issues arise;
- Leveraging digital SOPs, manuals, and layouts helping to standardize complex work and to meet regulatory and OSHA requirements;
- Creating powerful workflows and reports for our compliance objectives;
- Integrating with the survey database to create a useable asset for field work tracking; and
- Using real-time data and leveraging analytical tools to trend plant performance.

Utility Cloud is pivotal in the operation and maintenance of facilities. The ability to create custom workflows gives us the ability to collect asset and task-specific data quickly and efficiently. Using this system allows CSWR to quickly implement new processes that apply to all our sites across the country with the click of a button. This is the type of configuration scalability that CSWR requires and Utility Cloud delivers.

At this time, CSWR-Florida UOC is not able to quantify the cost savings of these improvements as the benefits provided in other jurisdictions revolve around quality of service and environmental sustainability rather than cost.

Anticipated Improvements in Compliance with Regulatory Mandates

- Necessary upgrades to the system. See **Exhibit H**.
- Assessment of the compliance history of the water system to identify improvements to achieve regulatory compliance and bring the system to a maintainable condition
- Use of technology and innovation to quickly assess and invest in needed infrastructure to ensure regulatory and environmental standards are met and water resources are protected

Rate Stability Over the Long Term

Consolidation of the management and operation of the Neighborhood Utilities' system with the other CSWR systems will allow it to benefit from economies of scale that would otherwise not be available. Economies of scale will reduce ongoing costs and moderate the need for rate increases thus contributing to rate stability. Additionally, at the appropriate time, CSWR anticipates proposing the use of consolidated or uniform rates for the Florida systems it operates. Use of uniform rates will also contribute to rate stabilization by reducing the number and frequency of rate cases and mitigation of rate shock that might result from capital investments necessary to meet environmental, health and regulatory standards. Uniform rates can also result in cost of capital savings by providing revenue stability that will reduce financial risk and in savings associated with rate collection.

Rate Base

Rate base was last established by the Public Service Commission in 2016. See Docket Number 20150181-WU and Order Number PSC-16-0537-PAA-WU. There have been no subsequent changes to rate base that are known to the Applicant.

2. Federal Income Tax Returns

CSWR-Florida UOC has obtained all of the federal income tax returns of the Seller from the date the rate base was last established by the Commission.

3. Regulatory Assessment Fees, Fines, or Refunds

Any outstanding regulatory assessment fees, fines, or refunds must be fully satisfied by the Seller prior to closing. No such outstanding assessment fees, fines, or refunds are known to the Applicant. CSWR-Florida UOC will become responsible for paying the regulatory assessment fees and filing the annual report upon closing. The Seller remains responsible for the regulatory assessment fees and annual report until closing.

4. Economies of Scale

In addition to this Application, CSWR-Florida UOC has three other transfer application dockets presently pending before the Commission: 20210093-WS (Aquarina Utilities, Inc.); 20210095-WU (Sunshine Utilities of Central Florida, Inc.); and 20210133-SU (North Peninsula Utilities Corporation). Customers currently served by Neighborhood Utilities, Inc. would benefit from the technical and operational advantages of becoming part of the group of utilities affiliated with Central States Water Resources, as discussed above.

Across the affiliate group, Central States currently serves approximately 73,000 water and 117,000 wastewater customers in 9 states. As the costs of the centralized technical and operational resources of CSWR are spread over more customers, more economies of scale will be achieved.

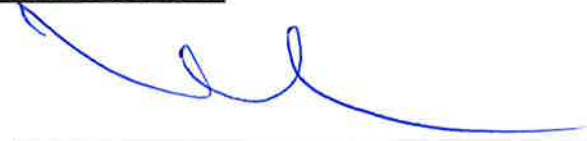
G. Noticing Requirements

Attached as **Exhibit N** is CSWR-Florida UOC's proposed notice of application. As soon as the notice is approved, CSWR-Florida UOC will send the notice to all customers and applicable governmental entities, and will then file affidavits of noticing and publication as required.

[remainder of page intentionally left blank -- signature page to follow]

PART III. SIGNATURE

APPLICATION SUBMITTED BY:



Josiah Cox, President, on behalf of
CSWR-Florida Utility Operating Company, LLC

1-14-2022

Date

EXHIBIT A



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Search by Entity Name](#) /

Detail by Entity Name

Florida Limited Liability Company
CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC

Filing Information

Document Number	L21000150005
FEI/EIN Number	NONE
Date Filed	03/31/2021
Effective Date	03/31/2021
State	FL
Status	ACTIVE

Principal Address

1650 DES PERES RD.
SUITE 303
ST. LOUIS, MO 63131

Mailing Address

1650 DES PERES RD.
SUITE 303
ST. LOUIS, MO 63131

Registered Agent Name & Address

C T CORPORATION SYSTEMS
1200 S PINE ISLAND ROAD
PLANTATION, FL 33324

Authorized Person(s) Detail

Name & Address

Title MGR

CSWR-FLORIDA UTILITY HOLDING COMPANY, LLC
1650 DES PERES RD., SUITE 303
ST. LOUIS, MO 63131

Annual Reports

No Annual Reports Filed

Document Images

[03/31/2021 -- Florida Limited Liability](#)

[View image in PDF format](#)

**Electronic Articles of Organization
For
Florida Limited Liability Company**

L21000150005
FILED 8:00 AM
March 31, 2021
Sec. Of State
jsdennis

Article I

The name of the Limited Liability Company is:

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC

Article II

The street address of the principal office of the Limited Liability Company is:

1650 DES PERES RD.
SUITE 303
ST. LOUIS, MO. US 63131

The mailing address of the Limited Liability Company is:

1650 DES PERES RD.
SUITE 303
ST. LOUIS, MO. US 63131

Article III

The name and Florida street address of the registered agent is:

C T CORPORATION SYSTEMS
1200 S PINE ISLAND ROAD
PLANTATION, FL. 33324

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: ROSE SONG

Article IV

The name and address of person(s) authorized to manage LLC:

Title: MGR
CSWR-FLORIDA UTILITY HOLDING COMPANY, LLC
1650 DES PERES RD., SUITE 303
ST. LOUIS, MO. 63131 US

L21000150005
FILED 8:00 AM
March 31, 2021
Sec. Of State
jsdennis

Article V

The effective date for this Limited Liability Company shall be:

03/31/2021

Signature of member or an authorized representative

Electronic Signature: MADISON A WELDE

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.

EXHIBIT B

AGREEMENT FOR PURCHASE AND SALE OF UTILITY SYSTEM

THIS AGREEMENT FOR PURCHASE AND SALE OF UTILITY SYSTEM (“Agreement”) is made and entered into this 27th day of May, 2021, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate (“Buyer”), and NEIGHBORHOOD UTILITIES, INC., a Florida Corporation (“Seller”), collectively (the “Parties”).

WITNESSETH:

WHEREAS, Seller has developed and operates as a regulated water utility in the area more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in Duval County, Florida (hereinafter the “System”); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a corporation, organized and existing under the laws of the State of Florida, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of water to each of the customers connected to the service area (defined further below as “Assets”); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer’s designated affiliate, all of Seller’s then existing assets pertaining to the provision of water service, as-is, where-is, in the System located in Duval County, in the State of Florida, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases

related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit "B"*, attached hereto;

B. All of Seller's water service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Duval County, Florida, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any water certificates, certificate rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of water service in Duval County, Florida as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the water service, except accounts receivable accrued prior to the Closing; and

F. All assets not described which are located in Duval County, Florida, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any water and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the State of Florida,

which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Seller shall act diligently and cooperate with Buyer to obtain any regulatory approvals required from the Florida Public Service Commission ("FPSC"), Florida Department of Environmental Protection ("FDEP"), or any other regulatory agency in the State of Florida, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.**

Buyer agrees to pay to Seller at the Closing Four Hundred Sixty Thousand and 00/100 Dollars (\$460,000.00) for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, or at such other time as the parties hereto may mutually agree (the "Closing"). Buyer will use its best efforts to for the Closing to occur by December 15, 2021. At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance of the Assets as Seller possesses and shall be effective to vest in Buyer

such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward. Seller shall remain responsible for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a corporation, organized and existing under the constitution and laws of the State of Florida in good standing with the Florida Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the

business or operations of the System;

ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. Title to Properties.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained the legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of the foregoing, Seller agrees to work with Buyer's surveyor prior to closing to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Duval County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect

in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, the System is being conducted, and as of the date of the Closing, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes. Seller agrees that from the Effective Date until either the termination of this Agreement or until after the Closing that Seller will not file any notices, requests, compliance documents, pleadings, or any other documents with any governmental or quasi-governmental authority that has jurisdiction over Seller in the operation, regulation or oversight of the System or any other endeavors of Seller (whether related to the System or not) without first providing at least ten (10) days prior notice to the Buyer for review and comment on such filing.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local

ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation organized, existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

The FPSC and FDEP shall have, if necessary, authorized or approved the sale, transfer or disposition of the Assets to Buyer from Seller, the proposed financing, and any schedule of compliance for proposed utility improvement projects for regulatory compliance deemed necessary by Buyer, each in form and substance (including without limitation with respect to the terms and conditions contained in such approval) acceptable to Buyer in Buyer's sole and absolute discretion. Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such

time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing; including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the date of the Closing, to include any regulatory assessments.

D. **Feasibility.**

Completion of Buyer's examination, testing and inspection of the Assets, the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, and any other due diligence determined by the Buyer as necessary in order to determine the feasibility of this acquisition, the results of any of the foregoing to be satisfactory to Buyer, in its sole and absolute discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of the Closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller

contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current hazard insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement is being delivered and is intended to be performed in the State of Florida, and shall be construed and enforced in accordance with the laws of such state.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 20, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (c) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (d) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the

courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
1650 Des Peres Road, Suite 303
St. Louis, MO 63131
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
Beckemeier LeMoine Law
13421 Manchester Rd., Suite 103
Saint Louis, Missouri 63131
Phone: (314) 965-2277
E-mail: jim@bl-stl.com

If to Seller:

W. Larry O'Steen
1381 Cassat Ave
Jacksonville, FL 32205
Phone: 904-387-0487
Email: wlarryo@hotmail.com

With a Copy to:

William E. Sundstrom, P.A
Sundstrom & Mindlin, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
wsundstrom@sfflaw.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default,

misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

27. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon

28. CONFIDENTIALITY. Buyer and Seller shall keep confidential this Agreement, this transaction, and all information learned in the course of this transaction, except to the extent disclosure is required by law or court order or to enable third parties to advise or assist Buyer to conduct its due diligence or either party to close this transaction.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

NEIGHBORHOOD UTILITIES, INC.

By: 

W. Larry O'Steen, President

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

By: 

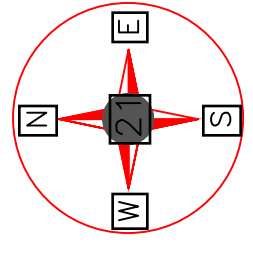
Josiah Cox, President

EXHIBIT "A"

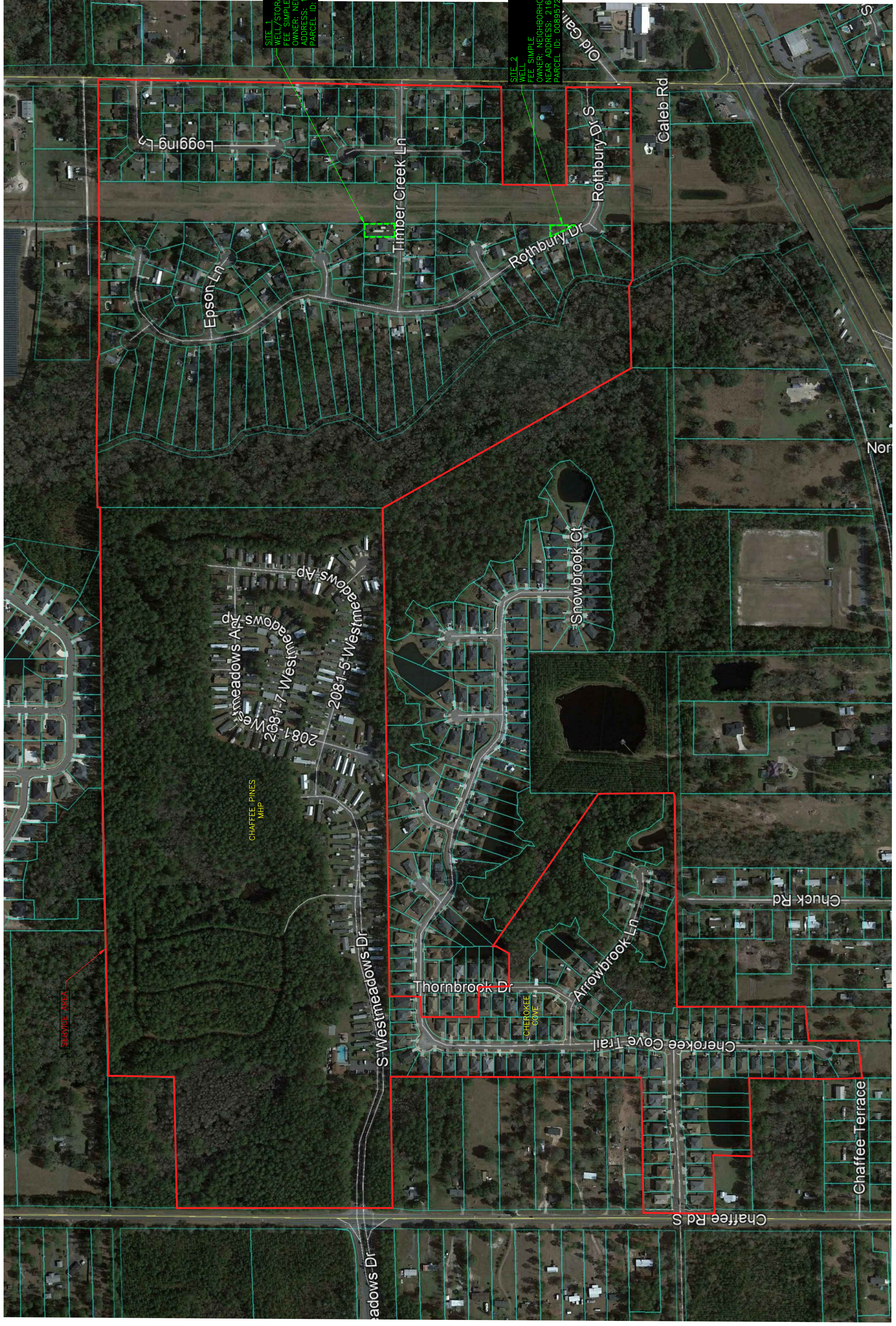
Service Area Description

**[SERVICE AREA MAP & LEGAL DESCRIPTION TO BE FINALIZED PRIOR TO CLOSING]
See Preliminary Exhibit A, attached**

PRELIMINARY Exhibit A
(Agreement for Sale of Utility System - Neighborhood Utilities)



**ROUGH SERVICE AREA MAP (v1)
(WATER)
NEIGHBORHOOD UTILITIES INC.
DUVAL, FL**



SITE 1
WELL/STORAGE TANK
OWNER: NEIGHBORHOOD UTILITIES INC.
ADDRESS: 10487 TIMBER CREEK LANE
PARCEL ID: 0089831002R

SITE 2
WELL/SIMPLE
OWNER: NEIGHBORHOOD UTILITIES INC.
ADDRESS: 2169 ROTHBURY
PARCEL ID: 0089572210R

Utility Note Disclaimer:

The utilities shown hereon are depicted based on the description provided by the system manager. 21 Design Group, Inc. performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general layout of the system only and should not be used to interpret encroachments.

DATE:	06/02/21
PROJECT NO:	10533-20
DRAWN BY:	BJK
SCALE:	
SHEET NAME:	SERVICE AREA MAP

21 DESIGN GROUP INC.
mail@21designgroup.com
1351 Jefferson Suite 201
Washington, MD 20790
P: 430-432-5079

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be
determined by survey and title commitments, which shall be inserted prior to the Closing).

[TO BE FINALIZED PRIOR TO CLOSING]

**The following described lots, tracts or parcels of land, lying, being and situate in the County of Duval,
State of Florida:**

**All interests in land used or useful in operation of the Water System that services the area set forth on
EXHIBIT A, including but not limited to easements, rights of way and permits, and including the real
property described as Parcel ID 0089831002R & Parcel ID 0089572210R**

EXHIBIT "C"

Personal Property and Equipment
(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and
other tangible items)

[TO BE FINALIZED PRIOR TO CLOSING]

All Property set forth herein shall be transferred to Buyer free and clear of all liens, pledges, leases, options, rights of first refusal, conditional sales agreements or any other such encumbrances.

All personal property comprising the Water System that services the area set forth on EXHIBIT A, including but not limited to, the water lines, pipes, wells, well house, tanks, pumps, meters, valves, and any other appurtenances of the Water System, and all machinery, equipment, supplies and other tangible items used in connection with the Water System.

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.
(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements,
bonds and/or other financial assurances and customer deposits)

[TO BE FINALIZED PRIOR TO CLOSING]

NONE

EXHIBIT C

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions * (d)	Retirements* (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
303	Land and Land Rights _____	1000	_____	_____	1000
304	Structures and Improvements _____	14967	_____	_____	14967
305	Collecting and Impounding Reservoirs _____	90940	_____	_____	90940
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	45388	_____	_____	45388
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	5505	_____	_____	5505
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	56878	_____	_____	56878
320	Water Treatment Equipment _____	33508	_____	_____	33508
330	Distribution Reservoirs and Standpipes _____	30830	_____	_____	30830
331	Transmission and Distribution Lines _____	245510	_____	_____	245510
333	Services _____	64444	_____	_____	64444
334	Meters and Meter Installations _____	32738	_____	_____	32738
335	Hydrants _____	35812	_____	_____	35812
336	Backflow Prevention Devices _____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment _____	13921	_____	_____	13921
340	Office Furniture and Equipment _____	1714	_____	_____	1714
341	Transportation Equipment _____	_____	_____	_____	_____
342	Stores Equipment _____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	_____	_____	_____	_____
348	Other Tangible Plant _____	_____	_____	_____	_____
	Total Water Plant _____	\$ 673155	_____	_____	673155

EXHIBIT D

CSWR, LLC and Subsidiaries

Consolidated Financial Statements

December 31, 2020 and 2019



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RSM US LLP

Independent Auditor's Report

Board of Directors
CSWR, LLC and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of CSWR, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSWR, LLC and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years the ended, in accordance with accounting principles generally accepted in the United States of America.

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Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

St. Louis, Missouri
March 11, 2021

CSWR, LLC and Subsidiaries

As of December 31, 2020 and 2019

Consolidated Balance Sheets

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash	\$	
Accounts Receivable, net		
Other Current Assets		
Total Current Assets		
Property, Plant and Equipment, Net		
Non-Current Assets		
Preliminary Survey and Investigation		
Other Long-Term Assets		
Total Non-Current Assets		
Goodwill		
Intangible Assets		
Total Assets	\$	
Current Liabilities		
Accounts Payable	\$	
Notes Payable - Current		
Other Current Liabilities		
Total Current Liabilities		
Long-Term Liabilities		
Notes Payable, net of Current Portion		
Contributions in Aid of Construction		
Other Long-Term Liabilities		
Total Long-Term Liabilities		
Member's Equity		
Paid-In Capital		
Retained Deficit		
Total Member's Equity		
Total Liabilities and Member's Equity	\$	

See notes to consolidated financial statements

CSWR, LLC and Subsidiaries

For the years ended December 31, 2020 and 2019

Consolidated Statements of Operations

	<u>2020</u>	<u>2019</u>
Operating Revenue		
Operating Revenue	\$	
Operating Expense		
Operations and Maintenance		
General and Administrative		
Depreciation and Amortization		
Total Operating Expense		
Operating Loss		
Other Income (Expense)		
Other Revenue		
Interest		
Total Other Income (Expense)		
Net Loss before Taxes		
Income Tax Benefit		
Net Loss	\$	

See notes to consolidated financial statements

CSWR, LLC and Subsidiaries
For the years ended December 31, 2020 and 2019

Consolidated Statements of Member's Equity

	Paid-In Capital	Retained Deficit	Total Member's Equity
Balance at December 31, 2018	\$	\$	\$
Capital Contributions			\$
Net Loss			\$
Balance at December 31, 2019			\$
Capital Contributions			\$
Net Loss			\$
Balance at December 31, 2020	\$	\$	\$

See notes to consolidated financial statements

CSWR, LLC and Subsidiaries

For the years ended December 31, 2020 and 2019

Consolidated Statements of Cash Flows

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Net Loss	\$	\$
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization		
Amortization of deferred financing costs to interest expense		
Loss on transfer of preliminary survey & investigation expense		
Loss on disposal of property, plant and equipment		
Interest capitalized to notes payable		
Interest capitalized to deferred financing costs		
Interest capitalized to allowance for funds used during construction		
<hr/>		
Change in assets (increase) decrease		
Accounts receivable, net		
Other current assets		
Other long-term assets		
Change in liabilities - increase (decrease)		
Current liabilities		
Other long-term liabilities		
Net cash used in Operating Activities		
Cash Flows from Investing Activities		
Purchase of property, plant and equipment		
Acquisition of preliminary survey and investigation		
Net cash used in Investing Activities		
Cash Flows from Financing Activities		
Payments on notes payable		
Contributions for construction		
Capital contributions		
Net cash provided by Financing Activities		
Net Increase in Cash		
Cash, Beginning of Period		
Cash, End of Period	\$	

See notes to consolidated financial statements

NOTE 01: NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CSWR, LLC ("CSWR") and its wholly owned subsidiaries, Missouri Central States Water Resources, LLC ("Missouri Central States"), Arkansas Central States Water Resources, LLC ("Arkansas Central States"), Kentucky Central States Water Resources, LLC ("Kentucky Central States"), Texas Central States Water Resources, LLC ("Texas Central States") and Louisiana Central States Water Resources, LLC ("Louisiana Central States"), collectively "the Company".

The accounts of Missouri Central States' wholly owned subsidiaries are included. Those subsidiaries are: Hillcrest Utility Holding Company, Inc. ("Hillcrest"), Raccoon Creek Utility Holding Company, Inc. ("Raccoon Creek"), Indian Hills Utility Holding Company, Inc. ("Indian Hills"), Elm Hills Utility Holding Company, Inc. ("Elm Hills"), Confluence Rivers Utility Holding Company, Inc. ("Confluence Rivers") and Osage Utility Holding Company, Inc. ("Osage"), which in turn each own operating subsidiaries that carry out day-to-day operations of the Company.

The accounts of Arkansas Central States' wholly owned subsidiaries are also included. Those subsidiaries are: Hayden's Place Utility Holding Company, LLC ("Hayden's Place"), St. Joseph's Glen Utility Holding Company, LLC ("St. Joseph's Glen"), Sebastian Lake Utility Holding Company, LLC ("Sebastian Lake"), Eagle Ridge Utility Holding Company, LLC ("Eagle Ridge"), Flushing Meadows Utility Operating Company, LLC ("Flushing Meadows") and Oak Hill Utility Holding Company, LLC ("Oak Hill"), which in turn each own operating subsidiaries that carry out day-to-day operations of the Company.

The accounts of Kentucky Central States' wholly owned subsidiary, Bluegrass Water Utility Holding Company, LLC ("Bluegrass") are included. Bluegrass owns an operating subsidiary that carries out the day-to-day operations of the Company.

The accounts of Texas Central States' wholly owned subsidiary, CSWR-Texas Utility Holding Company, LLC ("CSWR-Texas") are included. CSWR-Texas owns an operating subsidiary that carries out the day-to-day operations of the Company.

The accounts of Louisiana Central States' wholly owned subsidiary, Magnolia Water Utility Holding Company, LLC ("Magnolia") are included. Magnolia owns an operating subsidiary that carries out the day-to-day operations of the Company.

The Company has additional, inactive subsidiaries which, while included in The Company's financial statements, are immaterial to the consolidated financial results.

All significant inter-company transactions and account balances have been eliminated in consolidation.

Nature of Operations and Acquisition

CSWR is a private water and wastewater utility company. The Company's primary purpose, through its subsidiaries, is to establish and maintain compliant water and wastewater treatment facilities for underserved communities and private facility owners by creating economically viable options compliant

NOTE 01: NATURE OF OPERATIONS AND BASIS OF PRESENTATION (continued)

with the Clean Water Act and the Safe Drinking Water Act. The Company holds certificates of public convenience and necessity granted by the Missouri Public Service Commission, ("Missouri PSC"), under which the Company provides water and wastewater services in Missouri. In the state of Kentucky, the Company holds certificates of public convenience and necessity granted by the Kentucky Public Service Commission, ("Kentucky PSC"), under which the Company provides water and wastewater services in Kentucky. In the state of Texas, the Company holds certificates of public convenience and necessity granted by the Public Utility Commission of Texas, ("Texas PUCT"), under which the Company provides water and wastewater services in Texas. In the state of Louisiana, the Company has been granted authority to operate water and wastewater systems by the Louisiana Public Service Commission, ("Louisiana PSC"). The Company also provides water and wastewater services in Arkansas; however, Arkansas Central States' subsidiaries are currently under the water and sewer revenue threshold that requires rate regulation from the Arkansas Public Service Commission, ("Arkansas PSC").

The Company is a wholly owned subsidiary of US Water Systems, LLC. (the "Parent").

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates.

Recognition of Revenue

On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") Topic 606, Revenue From Contracts With Customers using the modified retrospective approach, applied to contracts which were not completed as of January 1, 2019. Under this approach, periods prior to the adoption have not been restated and continue to be reported under the accounting standards in effect for those periods.

Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration which the Company expects to be entitled to receive in exchange for goods or services. Under the standard, a contract's transaction price is allocated to each distinct performance obligation. For contracts within the scope of ASC 606, the Company recognizes revenue through the following steps: 1) identifies the contract with a customer; 2) identifies the performance obligations within the contract; 3) determines the transaction price; 4) allocates the transaction price to the performance obligations in the contract; and 5) recognizes revenue when, or as, the Company satisfies each performance obligation.

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's revenues from contracts with customers are discussed below. Customer payments for contracts are generally due within 30 days of billing and none of the contracts with customers have payment terms that exceed one year; therefore, the Company elected to apply the significant financing component practical expedient, and no amount of consideration has been allocated as a financing component.

The Company's revenue is generated from water and wastewater services delivered to customers. These contracts contain a single performance obligation, the delivery of water and wastewater services, as the promise to transfer the individual service is not separately identifiable from other promises within the contract and is not distinct. Revenue is recognized over time, as water and sewer services are provided, and includes amounts billed to customers on a cycle basis and unbilled amounts based on one month of service. The amounts the Company has a right to invoice are determined by a periodic flat fee, metered usage or both where applicable, indicating that the invoice amount corresponds directly to the value transferred to the customer. The Company elected to use the right to invoice and the disclosure of remaining performance obligations practical expedients for these revenues.

Income Taxes

CSWR, LLC has elected to be treated as a partnership for federal income tax purposes and does not record income taxes. Instead, its taxable earnings and losses are allocated in accordance with the Operating Agreement and are included in the income tax returns of the members. Accordingly, no provision is made for federal and state income taxes in the consolidated financial statements.

The Company's subsidiaries have elected to be treated as "C" Corporations. Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due, plus deferred taxes related primarily to net operating losses timing differences.

The Company has assessed its federal and state tax positions and determined there were more likely than not no uncertainties or possible related effects that need to be recorded as of or for the years ended December 31, 2020 and 2019.

The federal and state income tax returns of the Company for the years ended December 31, 2020 and 2019 are subject to examination by the respective taxing authorities, generally for three years after they were filed.

Accounts Receivable

Accounts receivable includes utility customer accounts receivable, which represent amounts billed to water and wastewater customers on a cycle basis. Accounts receivable also includes unbilled revenue for services provided but not billed to customers. Credit is extended based on the guidelines of the applicable state regulatory body and collateral is generally not required.

The Company provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of accounts receivable. This estimate is based on historical experience coupled with a review of the current status of existing receivables. The allowance and associated accounts

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

receivable are reduced when the receivables are determined to be uncollectible. The allowance at December 31, 2020 and 2019 was [REDACTED] respectively.

Property, Plant and Equipment

Property, plant and equipment is generally stated at cost. Major additions and improvements are capitalized and, where rate regulated, placed in service subject to review and revaluation by the applicable state regulatory body, while maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated lives for computing depreciation and amortization on property, plant and equipment are:

Utility Plant in Service - Sewer	10-50 Years
Utility Plant in Service - Water	10-50 Years
Furniture, Fixtures, and Other	7-20 Years

Preliminary Survey and Investigation Charges

The Company capitalizes all expenditures for preliminary surveys, plans, investigations and other expenditures made for the purpose of determining the feasibility of the acquisition of system assets. When the acquisition of system assets occurs, these costs are reclassified to the appropriate utility plant account. If the initiative is abandoned, the costs are expensed in the period in which Management makes the determination.

Regulation

The Company's Missouri, Kentucky, Texas and Louisiana utilities are subject to economic regulation by the respective PSCs. The Missouri PSC, Kentucky PSC, Texas PUC and Louisiana PSC generally authorize revenue at levels intended to recover the estimated costs of providing service, plus a return on net investments, or rate base. The Missouri PSC approved a rate increase April 8, 2020 with an effective date of July 1, 2020 for Confluence Rivers and a rate increase December 30, 2020 with an effective date of January 29, 2021 for Elm Hills. Regulators may also impose certain penalties or grant certain incentives. Due to timing and other differences in the collection of utility revenue, an incurred cost that would otherwise be charged to expense by a non-regulated entity is (at the direction of the state PSC) to be deferred as a regulatory asset if it is probable that the cost is recoverable in future rates. Conversely, GAAP requires the recording of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future or amounts collected in excess of costs incurred and refundable to customers.

The Company had a regulatory asset of \$ [REDACTED] ("Other Long-Term Assets"), with accumulated amortization of [REDACTED] and [REDACTED] at December 31, 2020 and 2019 respectively. Amortization expense for the periods ended December 31, 2020 and 2019 was [REDACTED] and [REDACTED], respectively.

The Company's net regulatory liability for removal costs recoverable through rates at December 31, 2020 and 2019 was [REDACTED] and [REDACTED] respectively. Salvage expense of the liability for removal costs was [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and 2019 respectively.

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These liabilities are included in Property, Plant and Equipment, Net as a subset of accumulated depreciation.

Contributions in Aid of Construction

Regulated utilities may receive advances for construction and/or contributions in aid of construction from customers, home builders, real estate developers, home-owners associations, etc., to fund construction necessary to extend or enhance services or operating facilities to new areas. Advances that are no longer refundable are reclassified as contributions of capital. Contributions are permanent collections of plant assets or cash for a specific capital construction project. For tariff ratemaking purposes, the amount of such contributions generally serves as a rate base reduction since the contributions represent non-investor supplied funds. Generally, the Company depreciates utility plants funded by contributions and amortizes its contributions balance as a reduction to depreciation expense, producing a result which is functionally equivalent to reducing the original cost of the utility plant for the contributions. Amortization of contributions in aid of construction was [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and December 31, 2019, respectively.

Goodwill and Other Intangible Assets

Included in the Company's financials are goodwill and intangible assets which are the result of pushdown accounting from its parent. Goodwill arising from business combinations is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that a goodwill impairment test should be performed. The Company has selected December 31 as the date to perform the annual impairment test. Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill, the Trade Name and Certificate of Convenience and Necessity have an indefinite life on the consolidated balance sheets. There are no intangible assets with a definite life on the consolidated balance sheets.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases: Amendments to the FASB Accounting Standards Codification, which amends the existing guidance on accounting for leases, and is effective for fiscal years beginning after December 15, 2021 for entities other than public business entities. This ASU requires the recognition of lease assets and liabilities on the consolidated balance sheets and the disclosure of key information about leasing arrangements. Early adoption is permitted and modified retrospective application is required for leases that exist or are entered into after the beginning of the earliest comparative period in the consolidated financial statements. The Company is currently evaluating the impact, if any, of adopting ASU 2016-02 on the Company's consolidated financial statements and related disclosures.

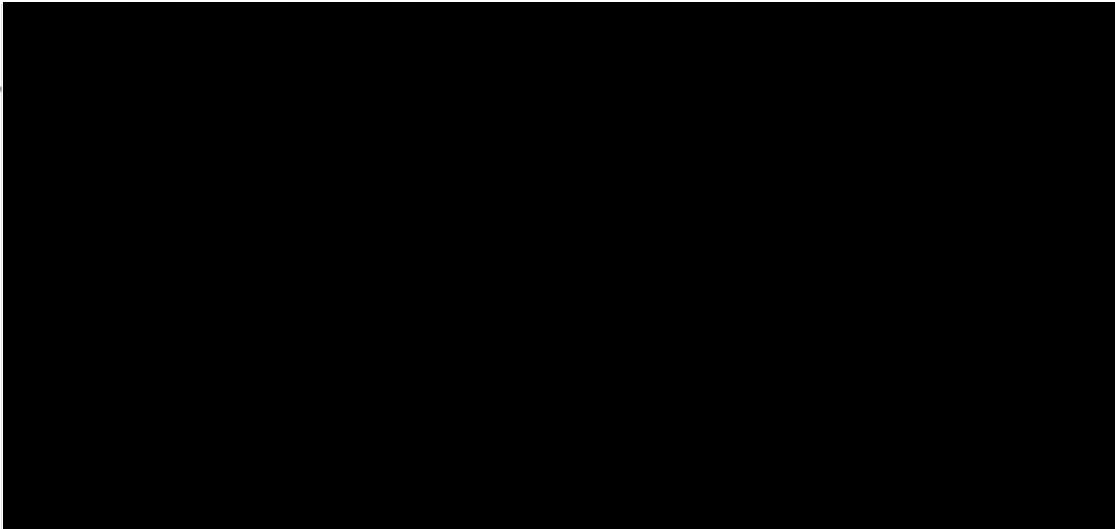
In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

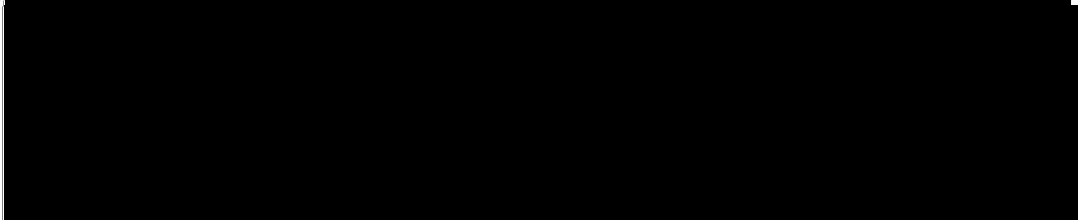
losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2022. The Company is currently in the process of evaluating the impact, if any, of adoption of this ASU on the consolidated financial statements.

NOTE 03: ASSET PURCHASES AND FACILITY OPERATIONS

Asset Purchases



Facility Operations



NOTE 04: CONSOLIDATED STATEMENT OF CASH FLOWS

Cash paid for interest during the periods ending December 31, 2020 and December 31, 2019 was [REDACTED] and [REDACTED] respectively. The Company did not have any cash paid for income taxes during the periods ended December 31, 2020 and 2019.

As of December 31, 2020, [REDACTED] in property, plant and equipment and [REDACTED] in preliminary survey and investigation charges were funded by accounts payable. Preliminary survey and investigation

NOTE 04: CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

charges totaling ██████ were reclassified to property, plant, and equipment during the period ending December 31, 2020.

As of December 31, 2019 ██████ in property, plant and equipment and ██████ in preliminary survey and investigation charges were funded by accounts payable. Preliminary survey and investigation charges totaling ██████ were reclassified to property, plant, and equipment during the period ending December 31, 2019. Interest capitalized to property, plant, and equipment was ██████ for the period ending December 31, 2019.

NOTE 05: CASH CONCENTRATION

As of December 31, 2020 and 2019, the Company's cash balance per depositor exceeded federally insured limits.

NOTE 06: PROPERTY, PLANT AND EQUIPMENT

Capital assets, consisting of property, plant and equipment purchased or constructed by the Company, are stated at cost. Depreciation has been computed over the estimated useful life of each asset using the straight-line method. Interest costs have been capitalized based on the average outstanding capital expenditures. In addition, certain technical and engineering related studies associated with the project have also been capitalized and included in the basis of the assets.

Major classes of property, plant and equipment consist of the following:

	2020	2019
Utility Plant in Service - Sewer	\$ ██████	\$ ██████
Utility Plant in Service - Water		
Furniture, Fixtures and Other		
Less: Accumulated Depreciation		
In Service Property, Plant and Equipment - Net	\$ ██████	\$ ██████
Construction Work in Progress		
Property, Plant & Equipment Net	\$ ██████	\$ ██████

Net depreciation expense for the periods ended December 31, 2020 and December 31, 2019 totaled and ██████ and ██████ which consisted of ██████ and ██████ in depreciation on property, plant and equipment, net salvage expense of the regulatory assets and liabilities ██████ and ██████ respectively, as disclosed in Note 2, and ██████ and ██████ in reduction of expense for amortization of contributions in aid of construction as disclosed in Note 2, respectively.

NOTE 07: NOTES PAYABLE – RELATED PARTY

The Company, through its subsidiaries, entered into agreements with [REDACTED] a related party through common ownership, at various times between 2016 and 2018, for a maximum principal amount of [REDACTED]. Associated with the agreements were construction notes payable to provide financing for the construction, improvements, and equipment for the Company’s subsidiaries. During the construction period, all interest accrued on the loan was rolled into the principal balance of the loan. [REDACTED] For some of these construction notes payable, the Company was not obligated to make any payments of interest or principal on the accrued interest or the principal amount owed until the first calendar month immediately following the construction completion date, at which point principal and interest payments are due monthly at various maturities between October 2036 and December 2039. As of December 31, 2020, and 2019, the outstanding loan balance, including accrued interest and origination fee, was [REDACTED] and [REDACTED] and unamortized deferred financing costs were [REDACTED] and [REDACTED] respectively. The outstanding loan balance, including capitalized interest and origination fee, less unamortized financing costs is as follows as of December 31:

	2020	2019
Notes Payable balance, including accrued interest and origination fee	[REDACTED]	[REDACTED]
Unamortized deferred financing costs	[REDACTED]	[REDACTED]
Current portion of notes payable	[REDACTED]	[REDACTED]
Notes Payable, net of current portion	[REDACTED]	[REDACTED]

Future maturities of notes payable are as follows:

Years ending December 31,

2021	[REDACTED]
2022	[REDACTED]
2023	[REDACTED]
2024	[REDACTED]
2025	[REDACTED]
Thereafter	[REDACTED]

The agreements are secured by specific portions of the Company’s assets and require adherence to specific restrictive covenants. For the years ending December 31, 2020 the Company had not satisfied certain covenant obligations. Through the date of issuance of the independent auditors report the debt has not been called and as of December 31, 2020, the lender provided written covenant waivers evidencing that no event of default has occurred which would cause the lender to exercise before April 1, 2022, its options to pursue the remedies outlined in the loan agreements.

NOTE 07: NOTES PAYABLE -RELATED PARTY (continued)

Deferred Financing Costs

Costs incurred in connection with financing activities are deferred and amortized to interest expense using the straight-line method over the terms of the related debt agreement. The straight-line method approximates the deferred interest method. Unamortized deferred financing costs of [REDACTED] and [REDACTED] are included in the accompanying consolidated balance sheets as a reduction of debt at December 31, 2020 and 2019, respectively. Amortization expense included in interest expense was [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and 2019, respectively.

NOTE 08: OPERATING LEASE

The Company has a lease agreement for office space. During 2020, the prior lease agreement expired and the Company entered a new agreement. Under the expiring lease agreement, the Company paid monthly rent payments of [REDACTED] per month through March 2020. The Company's current lease has a term of five years and requires monthly rent payments of [REDACTED] beginning April, 2020 through March 2025.

Total future minimum commitments related to these leases are as follows:

2021 -	[REDACTED]
2022 -	[REDACTED]
2023 -	[REDACTED]
2024 -	[REDACTED]
2025 -	[REDACTED]
Total -	[REDACTED]

The current lease agreement included a leasehold incentive as reimbursement for costs related to improving the leasehold and preparing the space for the Company's use. This incentive totaled [REDACTED] and was a receivable, included in Other Current Assets, to The Company at December 31, 2020. The incentive also results in a liability which is to be amortized over the life of the lease as a reduction of rent expense. The Leasehold Incentive Liability is recorded on the Company's financial statements, net of accumulated amortization of [REDACTED] in Other Long-Term Liabilities. Rent expense amounted to [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and December 31, 2019, respectively. Amortization expense of the Leasehold Incentive Liability amounted to [REDACTED] for the period ended December 31, 2020.

NOTE 09: EMPLOYEE BENEFIT PLAN

The Company has a retirement plan for its employees which allows participants to make contributions by salary reduction pursuant to Section 401(k) of the Internal Revenue Code. The Company can make a discretionary profit-sharing contribution to employees any time during the year. Employees vest immediately in their contributions and the Company's profit-sharing contributions. The Company's contributions to the 401(k) plan totaled [REDACTED] and [REDACTED] for the periods ended December 31, 2020, December 31, 2019, respectively.

NOTE 10: COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of the Company's management, the probable resolution of such contingencies will not have a material adverse effect on the financial position, cash flows or results of operations of the Company.

NOTE 11: INCOME TAXES AND LOSS CARRYFORWARD

Deferred income tax provisions/benefits for the Company's C-Corp subsidiaries are calculated for certain transactions and events because of differing treatments under accounting principles generally accepted in the United States of America and the currently enacted tax laws of the federal, state, and local governments. The Company accounts for federal income taxes in accordance with FASB ASC 740, whereby deferred taxes are provided on temporary differences arising from assets and liabilities whose bases are different for financial reporting and income tax purposes. Current deferred federal income taxes relate primarily to timing differences including a net operating loss carryforward and certain expenses that are not deductible for tax purposes. Deferred income tax assets and liabilities are computed for those temporary differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Examples of these temporary differences include the future tax benefits of operating loss carryforwards recognized for financial reporting purposes and the allowance for doubtful accounts which will provide a tax benefit only upon the direct write off of customer balances.

The net deferred tax asset consists of the following components as of December 31:

	2020	2019
Accumulated net operating loss	█	█
Allowance for doubtful accounts	█	█
Deferred tax asset/(liability)	█	█
Less valuation allowance	█	█
Deferred tax asset/(liability) - Net	\$ -	\$ -

The deferred tax assets as of December 31, 2020 and 2019 are a result of net operating losses for federal and state taxes that are available for carryforward to future periods and certain timing differences. There is a degree of uncertainty inherent in determining if it is more likely than not that the benefits from certain net operating loss carryforwards and other deferred tax assets may not be realized. Management has assessed this risk and has provided a valuation allowance of █ and █ on these deferred tax assets as of December 31, 2020 and 2019, respectively until the company starts to generate taxable income.

It is reasonably possible that management's estimate of the amount of tax benefit the Company will realize from the use of the tax loss carryforwards and other timing differences will change significantly in the future along with the related tax benefits.

NOTE 12: RECLASSIFICATIONS

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. Total assets, total liabilities, and net loss were not affected.

NOTE 13: SUBSEQUENT EVENTS

Subsequent to year end, the Company paid approximately [REDACTED] to acquire certain operating assets, primarily property, plant and equipment, that provides water supply and distribution services, and sewer collection and treatment services in Missouri, Texas, Kentucky and Louisiana. The assets acquired are expected to approximate the amount paid.

Management has evaluated subsequent events through the date of the independent auditors report, March 11, 2021, the date these consolidated financial statements were available to be issued.

CSWR, LLC and Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING BALANCE SHEETS

	Consolidated	Consolidation Elimination	CSWR, LLC	Missouri-CSWR	Hillcrest	Raccoon Creek	Indian Hills	Confluence Rivers	Elm Hills	Osage	Louisiana-CSWR	Magnolia
Current Assets												
Cash												
Accounts Receivable, net												
Other Current Assets												
Total Current Assets												
Property, Plant and Equipment, Net												
Non-Current Assets												
Preliminary Survey & Investigation												
Investment in Associated Companies												
Receivable from Associated Companies												
Other Long-Term Assets												
Total Non-Current Assets												
Goodwill												
Intangible Assets												
Deferred Income Tax												
Total Assets												
Current Liabilities												
Accounts Payable												
Notes Payable - Current												
Other Current Liabilities												
Total Current Liabilities												
Long-Term Liabilities												
Notes Payable, net of Current Portion												
Payable to Associated Companies												
Contributions in Aid of Construction												
Other Long-Term Liabilities												
Total Long-Term Liabilities												
Deferred Income Tax Liability												
Members' Equity												
Paid-In Capital												
Retained Deficit												
Total Members' Equity												
Total Liabilities and Equity												

CSWR, LLC and Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING BALANCE SHEETS

	Kentucky- CSWR	Bluegrass	Arkansas- CSWR	Hayden's Place	St. Joseph's Glen	Sebastian Lake	Eagle Ridge	Oak Hill	Flushing Meadows	TX-CSWR	CSWR-TX Operating	Inactive Entities
Current Assets												
Cash												
Accounts Receivable, net												
Other Current Assets												
Total Current Assets												
Property, Plant and Equipment, Net												
Non-Current Assets												
Preliminary Survey & Investigation												
Investment in Associated Companies												
Receivable from Associated Companies												
Other Long-Term Assets												
Total Non-Current Assets												
Goodwill												
Intangible Assets												
Deferred Income Tax												
Total Assets												
Current Liabilities												
Accounts Payable												
Notes Payable - Current												
Other Current Liabilities												
Total Current Liabilities												
Long-Term Liabilities												
Notes Payable, net of Current Portion												
Payable to Associated Companies												
Contributions in Aid of Construction												
Other Long-Term Liabilities												
Total Long-Term Liabilities												
Deferred Income Tax Liability												
Members' Equity												
Paid-in Capital												
Retained Deficit												
Total Members' Equity												
Total Liabilities and Equity												

CSWR, LLC & Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING STATEMENT OF OPERATIONS

	Consolidated	CSWR, LLC	Missouri- CSWR	Hillcrest	Raccoon Creek	Indian Hills	Confluence Rivers	Elm Hills	Osage	Louisiana- CSWR	Magnolia
Operating Revenue											
Operating Revenue											
Operating Expense											
Operations and Maintenance											
General and Administrative											
Depreciation and Amortization											
Total Operating Expense											
Operating Loss											
Other Income (Expense)											
Other Revenue											
Interest											
Total Other Income (Expense)											
Net Loss before Taxes											
Net Income (Loss)											

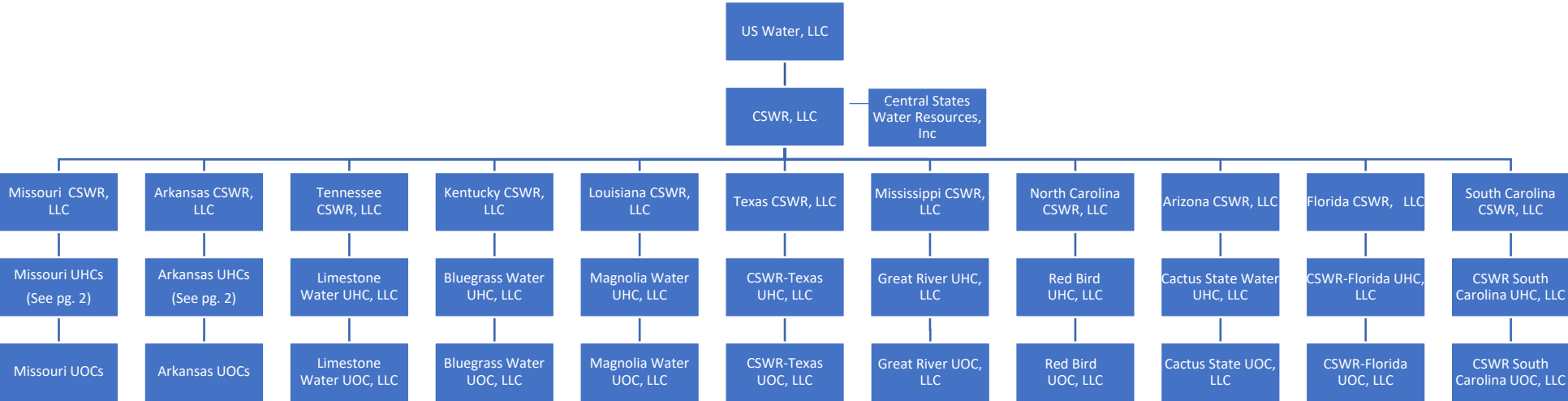
CSWR, LLC & Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING STATEMENT OF OPERATIONS

	Kentucky- CSWR	Bluegrass	Arkansas- CSWR	Hayden's Place	St. Joseph's Glen	Sebastian Lake	Eagle Ridge	Oak Hill	Flushing Meadows	TX-CSWR	CSWR-TX Operating	Inactive Entities
Operating Revenue												
Operating Revenue												
Operating Expense												
Operations and Maintenance												
General and Administrative												
Depreciation and Amortization												
Total Operating Expense												
Operating Loss												
Other Income (Expense)												
Other Revenue												
Interest												
Total Other Income (Expense)												
Net Loss before Taxes												
Net Income (Loss)												

EXHIBIT E

Central States Water Resources Corporate Entity Organizational Chart



Missouri & Arkansas CSWR Organizational Chart Detail

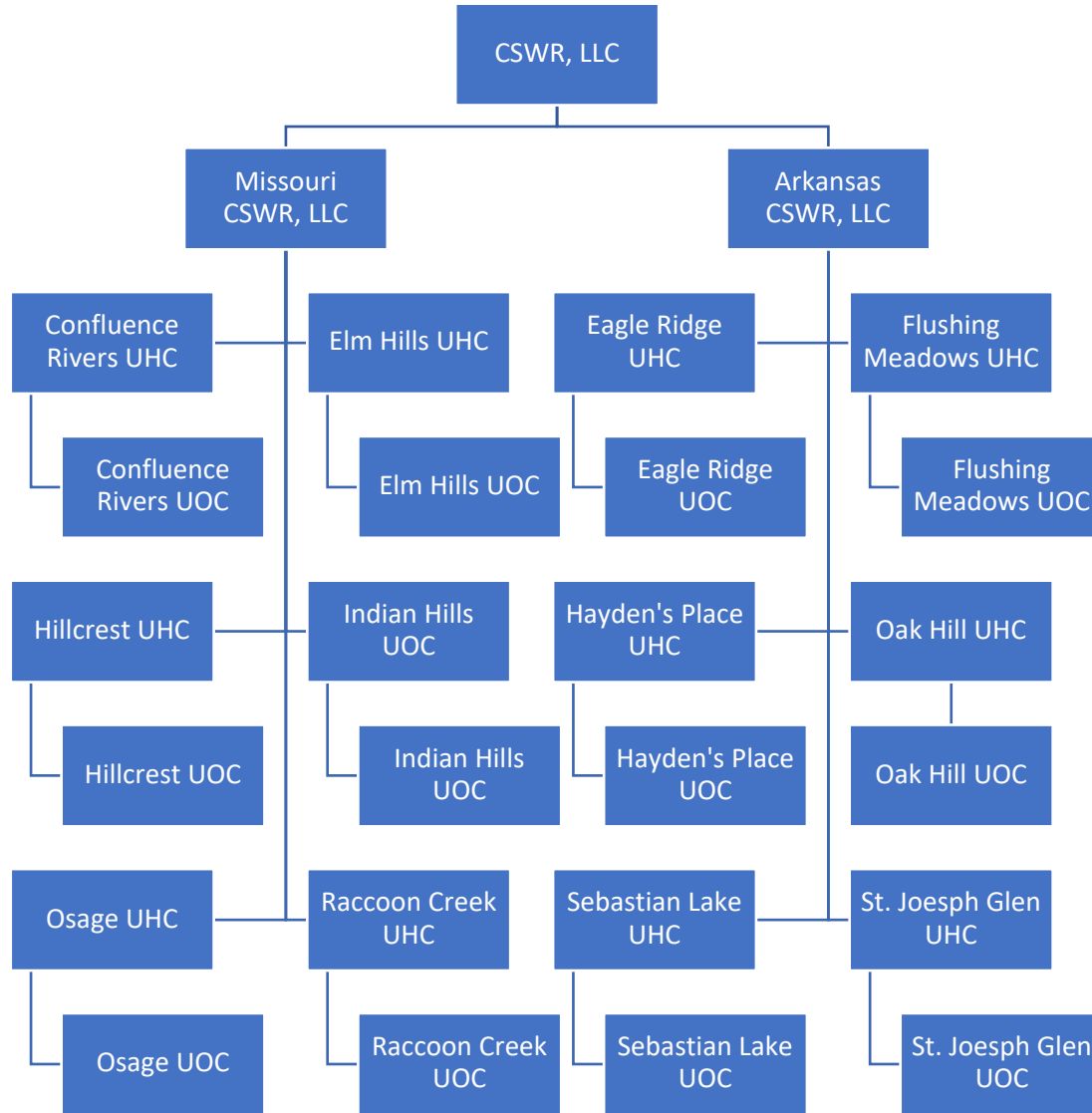


EXHIBIT F

Josiah Cox – President

Mr. Cox is President of CSWR-Florida Utility Operating Company, LLC, and also of CSWR, LLC. Both companies are part of an affiliated group that provide water or wastewater utility services to more than 40,000 customers in six states.

Mr. Cox received a Bachelor of Science with a major in Environmental Science from the University of Kansas. Professionally he has worked at the Kansas state biological survey, where he performed a wildlife habitat study. He then worked at a civil engineering firm where he was involved in various facets of the land development process including permitting, entitlement, civil design, project management, and construction management. He focused mainly on the water and wastewater side of the civil engineering business and participated in every part of that business from waste-load allocation studies (now known as the anti-degradation processes), design, permitting, project management, and construction management. He also ran the firm's environmental consulting division and was the second private consultant to submit a water quality impact study in the state of Missouri in 2003. He joined the engineering firm's executive leadership team and helped run all the firm's operations.

Beginning in 2005, he formed a full-service civil engineering, environmental consulting, general contracting, and construction management firm. He obtained extensive experience with rural communities in every facet of the water and wastewater compliance process, including environmental assessment, permitting, design, construction, operation and community administration of the actual water and wastewater (sewerage) systems. The firm performed stream sampling and built waste-load allocation models to determine receiving water-body protective permit-able effluent pollutant loads. They did full engineering design of multiple whole community wastewater and water infrastructure systems including wells, water distribution, water treatment, water storage, wastewater conveyance, and wastewater treatment plants and taken these designs through federal and state administered permitting processes in Missouri. The engineering firm also administered the construction of these water and wastewater systems from green field site selection all the way through system startup and final engineering sign-off. During this time, he also began the Master of Business Administration (MBA) program at Washington University in St. Louis, from which he graduated in 2007.

In addition, starting in 2008, he took over the operations of an existing rural sewer district, and he still operates a system managing the functioning, testing, and maintenance of the system. He also acts as the administrator for this municipal system performing all the billing, emergency response, accounts payable/accounts receivable, collections, budgeting, customer service, and public town meetings required to service the community.

In late 2010, after working on several small, failing water and wastewater systems, Mr. Cox created a business plan to acquire and recapitalize failing systems as investor-owned regulated water and wastewater utility companies. In early 2011, he went to the capital markets to raise money to implement his plan, and over a period of approximately three years met with over fifty-two infrastructure investment groups trying to raise necessary financing. In February 2014, he was able to raise sufficient debt and equity capital to start CSWR. In 2018, he attracted an additional large institutional private equity investor, which allowed CSWR to expand the scope

of its business plan. Since its formation, CSWR has acquired, and currently is operating more than 257 water and/or wastewater systems in Missouri, Kentucky, Louisiana, Texas, Tennessee, and Arkansas.

Marty Moore – Chief Financial Officer

Marty Moore is the Chief Financial Officer of CSWR, LLC and has held this position since April 2020. As CFO, Mr. Moore provides leadership, direction, and management to the finance and accounting teams, manages the process for financial forecasting, budgeting, and reporting and oversees the human resources and risk management functions.

After receiving a Bachelor of Business Administration in Accounting from Abilene Christian University, he gained a wide range of experience. Moore's extensive senior-level finance and operational experience includes serving as CFO of international automation equipment manufacturer Baldwin Technology Co., a company he helped Barry-Wehmiller/Forsyth Capital take private in 2012. Prior to that, Mr. Moore held senior leadership positions with Summit Marketing, Consolidated Terminals, Barnhill's Buffet Inc., and Global Materials Services. He began his career at Arthur Andersen. Moore most recently led finance and corporate services as CFO of Gardner Capital, a national affordable housing and renewable energy developer, investor, and tax credit syndicator. He has an extensive background in mergers and acquisitions and will work alongside Mr. Cox in accelerating the company's already rapid growth trajectory.

Todd Thomas – Vice President

Todd Thomas holds the office of Senior Vice President of CSWR, LLC. Mr. Thomas received his Bachelor of Science in Civil Engineering from The Missouri University of Science and Technology, and a Master of Business Administration from Washington University in St. Louis.

Before joining CSWR, Mr. Thomas was President of Brotcke Well and Pump, Vice President of Operations and Business Development of the Midwest for American Water Contract Operations, and General Manager of Midwest Operations for Environmental Management Corporation. Mr. Thomas currently serves on the Technical Advisory Team for the Public Water Supply District 2 of St. Charles County, MO.

Mr. Thomas's previous employment provided him extensive experience in water and sewer utilities. He has extensive firsthand experience with how much damage can be done by lack of maintenance on a well system and how much money and effort is required to restore a well system after neglect.

In his position as Senior Vice President at CSWR, Mr. Thomas's main responsibilities include utility operations along with the acquisition, development, and rate stabilization of CSWR-affiliated utilities. Those duties include operations, maintenance, capital planning, and regulatory compliance for all affiliate-owned facilities. He is responsible for the management of all operations and maintenance service providers, customer service and billing service providers, and engineering firms.

Mike Duncan –Vice President

Mike Duncan is the Vice President of CSWR, LLC and was promoted to that position in October 2020. As Vice President, he has played an integral role in preparing, filing, and processing acquisition applications in Missouri, Kentucky, Tennessee, Louisiana, Texas, North Carolina, and Mississippi. He also has taken a leading role in preparing and filing rate cases in Missouri, Kentucky, and Louisiana.

After receiving a Bachelor of Arts degree from Washington University in St. Louis, the first eleven years of his career were spent as an administrator and later director at a non-profit organization in St. Louis, Missouri. As Director he oversaw accounting, finance, human resources, IT, and communications for the organization. During his employment he received a master's in business administration from Olin School of Business at Washington University. Prior to his employment with CSWR, he spent two years as Director of Operation with Auto Tire & Parts Napa, a partner-owned chain of auto parts stores, overseeing projects related to distribution, logistics, IT, and general management.

Stacy Culleton – Director of Customer Experience

Stacy Culleton is the Director of Customer Experience of CSWR, LLC. She has held this position since March 2020, and previously held the position of Project Manager. As Director of Customer Experience, Stacy leads the development, implementation and evaluation of strategic, tactical, and operational customer engagement plans, programs, and initiatives. She also advises the executive team regarding customer satisfaction measures, customer experience strategies, and drives the ongoing development of a customer service culture.

After receiving her Bachelor of Business Administration degree in Management from Lindenwood University, Stacy held positions as Director of Client Services at Unit 4 Education Solutions, Senior Business System Analyst and Sales Planning and Reporting Manager at Allianz Global Corporate and Specialty, Senior Product Manager at Unit 4, and Senior Consultant at Daugherty Business Solutions. Her experience and extensive background in managing teams helps ensure an exceptional customer experience and provides the technical and managerial expertise needed to run this critical customer service function.

Jake Freeman – Director of Engineering

Jake Freeman is the Director of Engineering of CSWR, LLC and has held this position since January 2019. As Director of Engineering, he oversees all engineering, surveying, and facility construction upgrades for all newly acquired CSWR water and sewer utilities including those in Missouri, Arkansas, Kentucky, Louisiana, Texas, Mississippi, Tennessee, and North Carolina. He also oversees ongoing capital upgrade projects on all CSWR affiliated and operated facilities.

After receiving a Bachelor of Science degree in Mechanical Engineering from the University of Missouri – Columbia, he spent the first two years of his career working for Corrigan Mechanical, a design-build mechanical contractor in St. Louis designing, estimating, and

managing plumbing, HVAC and process piping construction projects in Missouri and southern Illinois. He then spent eleven years performing similar tasks for Brotcke Well & Pump, a well and pump service contractor servicing water wells and water treatment equipment throughout Missouri, Illinois, Kentucky, and Kansas. Prior to his employment with CSWR, he was serving as Vice President of Brotcke Well & Pump and Principal for their engineering services and managing their newly opened office in Kansas City.

Jami Favor - Environmental, Health and Safety Director

Jami Favor holds the office of Environmental, Health and Safety Director of CSWR, LLC. Mr. Favor holds several top water and wastewater certifications throughout the country. Mr. Favor also has received his Associate of Science in Ecological Controls and Associate of Applied Arts.

Before joining CSWR, Mr. Favor worked for Woodard and Curran's as an Area Manager of Contract Operations and Maintenance for Public Water Supply District 2 of St. Charles County, Missouri, and General Manager of a similar system in Quincy, Washington. Mr. Favor's responsibilities included budget and financial accountability, creating, and implementing capital improvement plans, daily operations of wastewater and water treatment facilities, including both industrial wastewater and reuse facilities that provided highly efficient softening and reverse osmosis treatment to industrial customers, implementation and oversight of Industrial Pretreatment Programs, collection, and water distribution maintenance.

Mr. Favor's previous employment provided him extensive experience in water and sewer utilities. He has extensive firsthand experience in managing water and wastewater treatment facilities safely and in a financially and operationally sound manner.

In his position as Environmental, Health and Safety Director at CSWR, Mr. Favor's main responsibilities include budgeting/financial accountability of operations, identifying capital improvements projects, overseeing regulatory compliance, implementing Computer Maintenance Management System and Regulatory Databases for all CSWR-affiliated facilities, development of safety programs, and overseeing third party Operations and Maintenance contractors of CSWR facilities.

EXHIBIT G

DESCRIPTION OF TERRITORY SERVED

Please refer to description of territory served as filed in Docket Number 840063-WU. Order Number 13723, Issued 9/28/84, Certificate Number 430-W.

In Township 2 South, Range 25 East:

Section 31

The South 1/2 of said Section 31
LESS

the West 660 feet of said Section 31, and the Southeast 1/4 of the Southwest 1/4 of said Section 31, and the South 165 feet of the Southeast 1/4 of the Southeast 1/4 of said Section 31, and the North 300 feet of the South 756 feet of the East 437 feet of the Southeast 1/4 of the Southeast 1/4 of said Section 31, and the East 40 feet of the South 1/2 of said Section 31.

Docket No. 090441-WU; Order No. PSC-11-0135-FOF-WU, Issued 2/28/11:

NEIGHBORHOOD UTILITIES, INC.
DESCRIPTION OF WATER TERRITORY TO BE ADDED
DUVAL COUNTY

In Township 2 South, Range 25 East:

Section 31

Area name: NU-1. A portion of Tracts 13 and 14, Block 3, in Section 31 as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 1,224.03 feet to the Southwest corner of Tract 13, Block 3, Jacksonville Heights to the Point of Beginning; thence continue along said south line of Section 31, N 89° 42' 30" E a distance of 663.36 feet; thence N 00° 50' 36" E a distance of 664.62 feet; thence S 89° 46' 36" W a distance of 664.95 feet; thence S 00° 47' 27" W a distance of 665.40 feet to the Point of Beginning. Containing 10.14 acres.

In Township 2 South, Range 25 East and in Township 3 South, Range 25 East:

Area name: NU-2. A portion of Tracts 1 through 6, inclusive, Tracts 10 through 14, Block 3, and Tracts 5 through 8, inclusive Tracts 9, 11, and 12, Block 4, in Section 31, Township 2 South, Range 25 East, together with a portion of Tracts 6 and 7, Block 2, in Section 6, Township 3 South, Range 25 East as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

(Continued on Sheet No. 3.2)

(Continued from Sheet No. 3.1)

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 664.35 feet to the Southwest corner of Tract 11, Block 3, Jacksonville Heights, to the Point of Beginning; thence N 00° 44' 25" E a distance of 166.54 feet; thence S 89° 43' 33" W a distance of 614.49 feet; thence S 00° 39' 57" W a distance of 327.10 feet; thence N 89° 42' 31" E a distance of 248.32 feet; thence S 00° 38' 40" W a distance of 173.91 feet; thence N 89° 17' 13" E a distance of 364.98 feet; thence S 00° 39' 10" W a distance of 516.95 feet; thence N 84° 58' 30" E a distance of 172.65 feet; thence N 00° 40' 10" E a distance of 222.00 feet; thence N 84° 58' 30" E a distance of 160.00 feet; thence N 00° 41' 18" E a distance of 599.10 feet; thence S 89° 42' 31" W a distance of 330.34 feet to the Point of Beginning. Containing 11.61 acres.

NEIGHBORHOOD UTILITIES, INC.
DESCRIPTION OF WATER TERRITORY TO BE DELETED
DUVAL COUNTY

In Township 2 South, Range 25 East:

Section 31

Area name: JEA-1. A portion of Tracts 11 and 12, Block 3, in Section 31, as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 1,224.03 feet to the Southwest corner of Tract 13, Block 3, Jacksonville Heights, thence N 00° 47' 27" E along the west line of said Tract 13 a distance of 861.76 feet to the Point of Beginning; thence N 55° 09' 07" W a distance of 66.88 feet; thence N 89° 18' 56" W a distance of 219.61 feet; thence N 00° 46' 00" E a distance of 65.71 feet; thence N 89° 15' 41" W a distance of 110.00 feet; thence N 00° 43' 08" E a distance of 275.01 feet; thence N 89° 50' 42" E a distance of 155.39 feet; thence N 00° 01' 10" E a distance of 135.00 feet; thence N 89° 50' 42" E a distance of 230.97 feet; thence S 00° 47' 27" W a distance of 519.05 feet to the Point of Beginning. Containing 3.61 acres.

Area name: JEA-2. A portion of Tracts 9, 11, and 12, plus all of Tract 10, Block 4, in Section 31, as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 2,657.56 feet to the Southwest corner of Tract 11, Block 4, Jacksonville Heights, to the Point of Beginning; thence N 00° 53' 47" E a distance of 1327.69 feet; thence S 44° 38' 49" E a distance of 1,856.48 feet; thence S 89° 42' 31" W a distance of 1,325.40 feet to the Point of Beginning. Containing 20.19 acres.

EXHIBIT H



WATER SYSTEM ASSESSMENT

Neighborhood Utilities

210 South Florida Avenue | Suite 220
Lakeland, Florida 33801
800.426.4262

woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS

0233748.01
CSWR
August 2021

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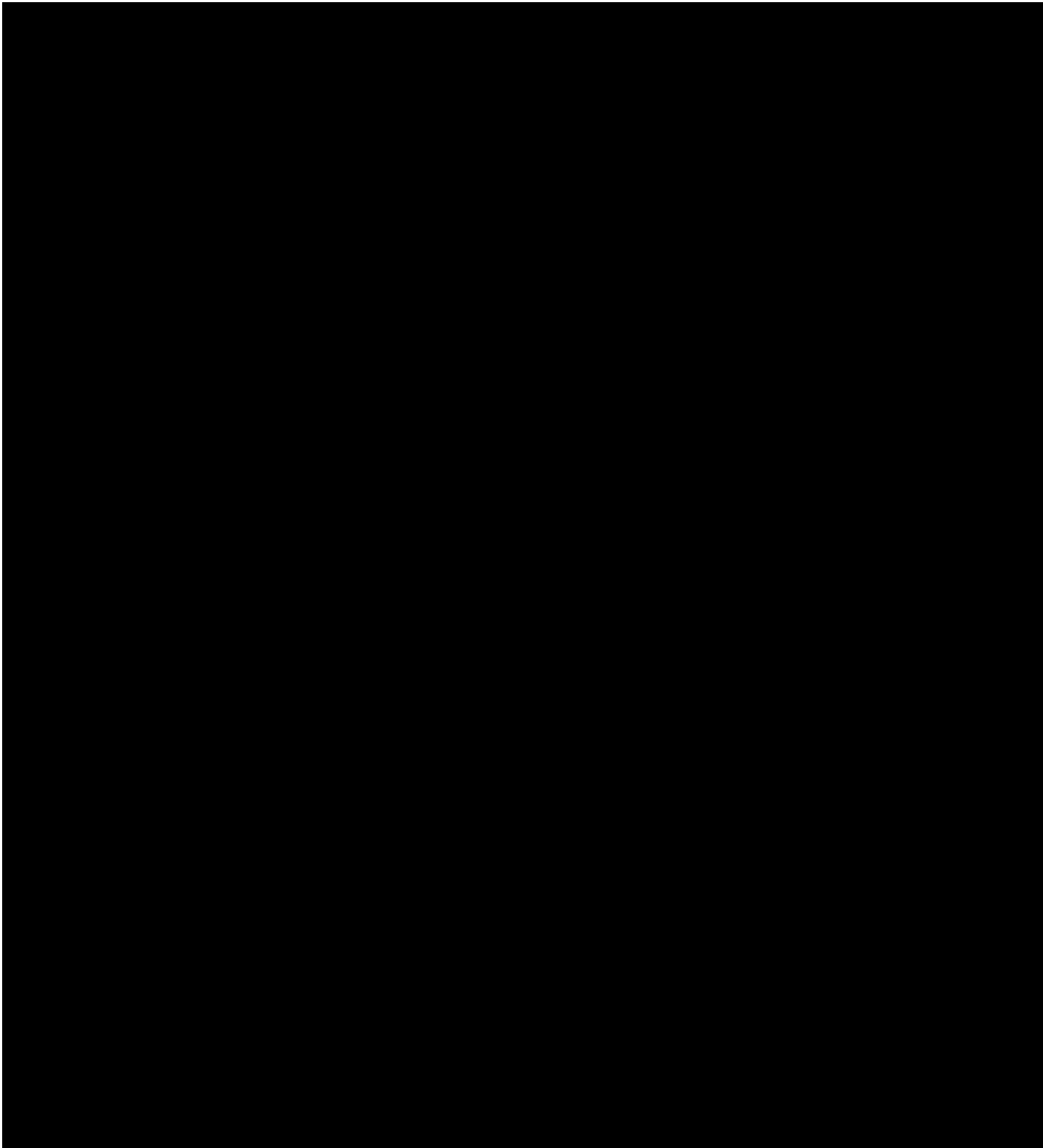
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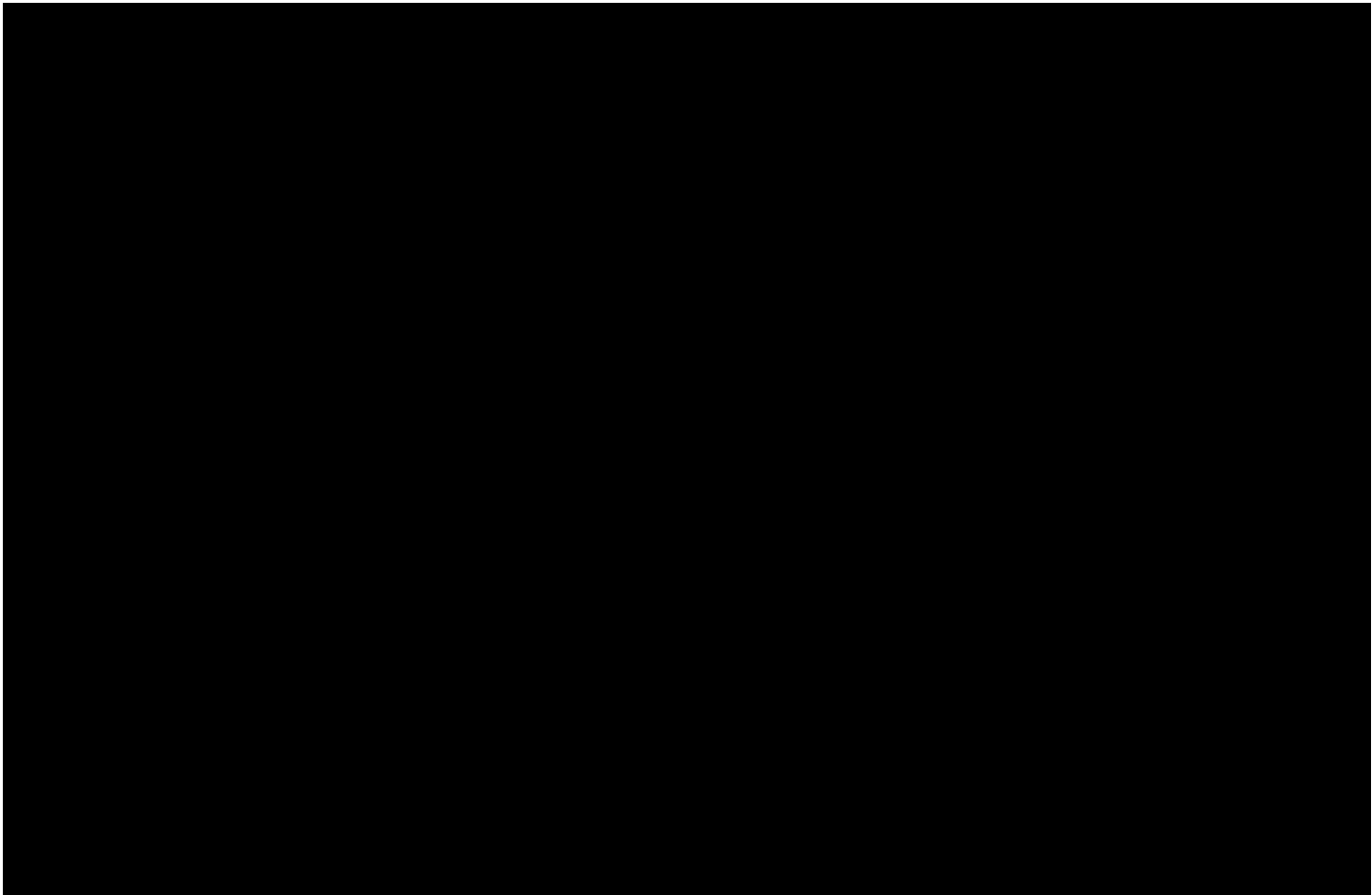
TABLES

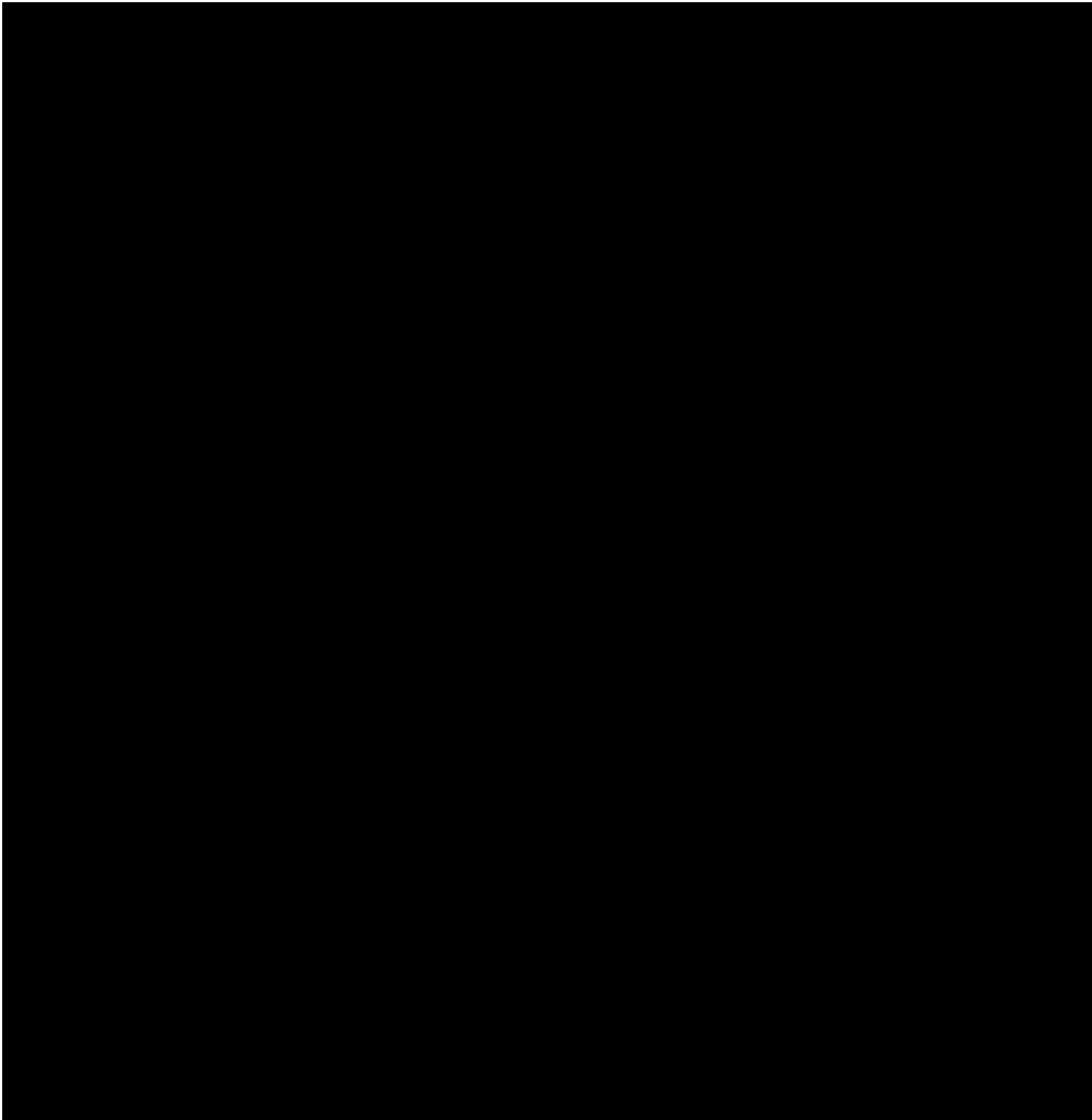
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Table 2-1:	Major System Components
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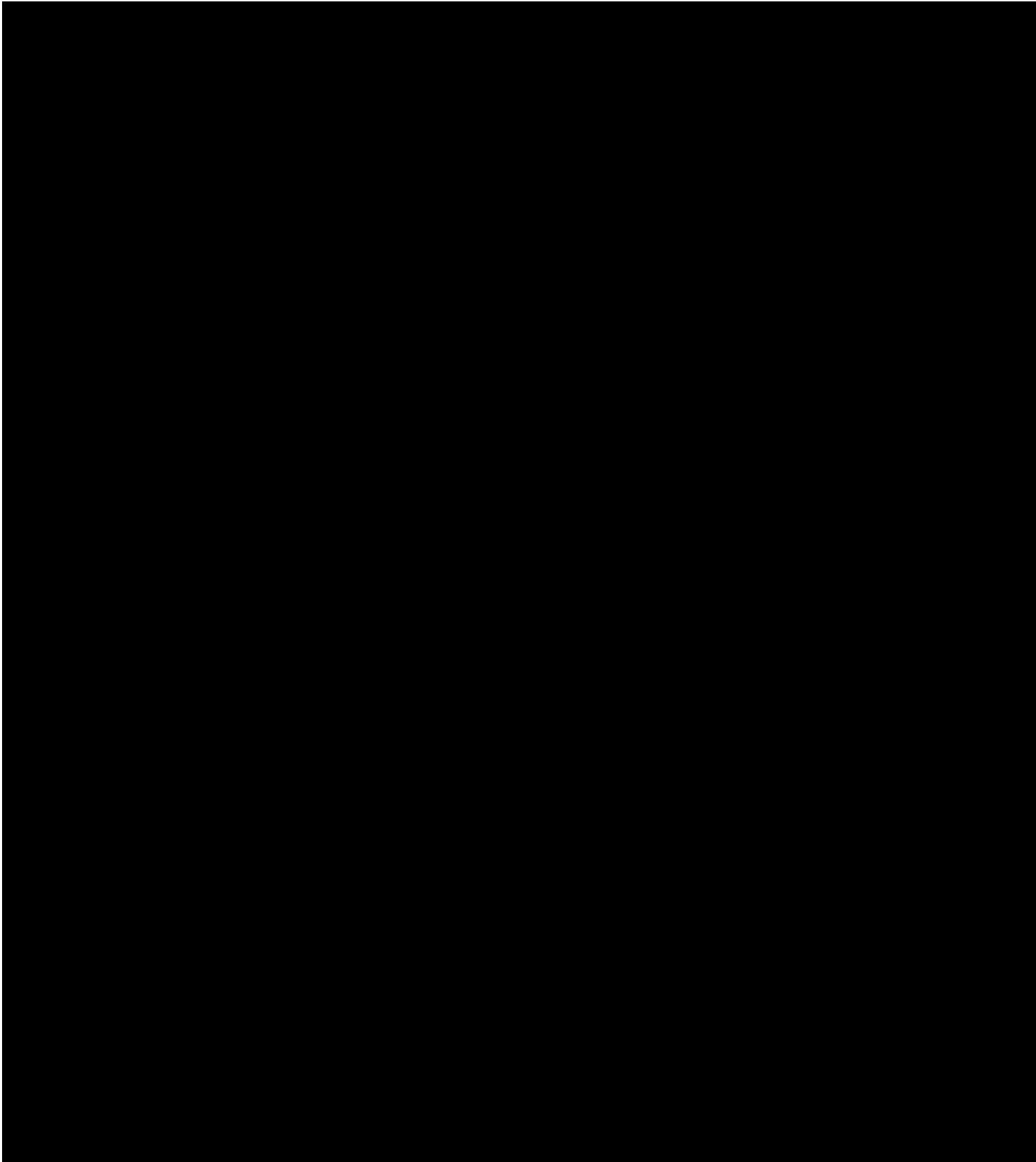
FIGURES

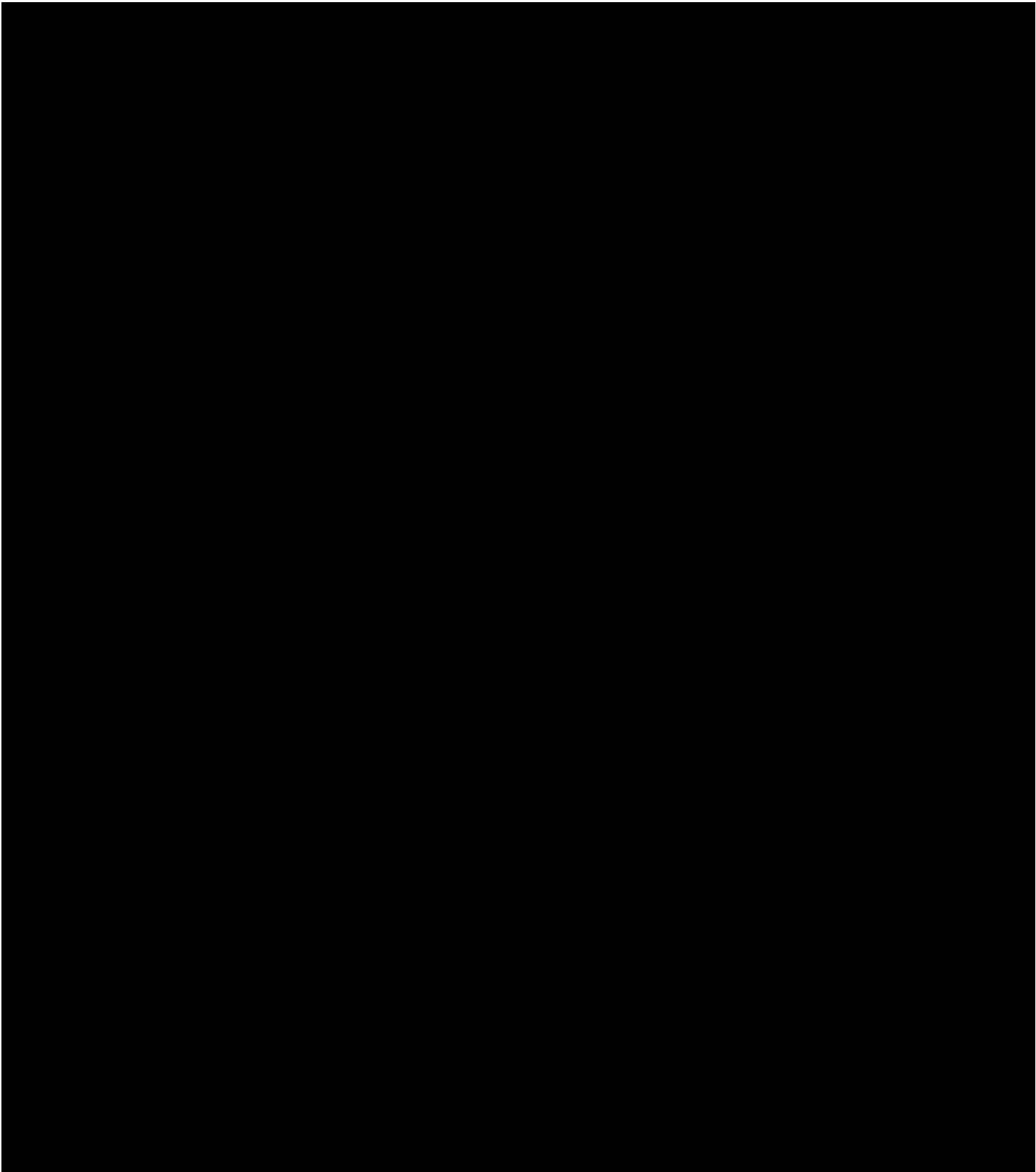
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Figure 2-14:	Algae Buildup
Figure 2-15:	PIG 275-gallon IBC and Enclosure
Figure 2-16:	GST2 Exterior Corrosion

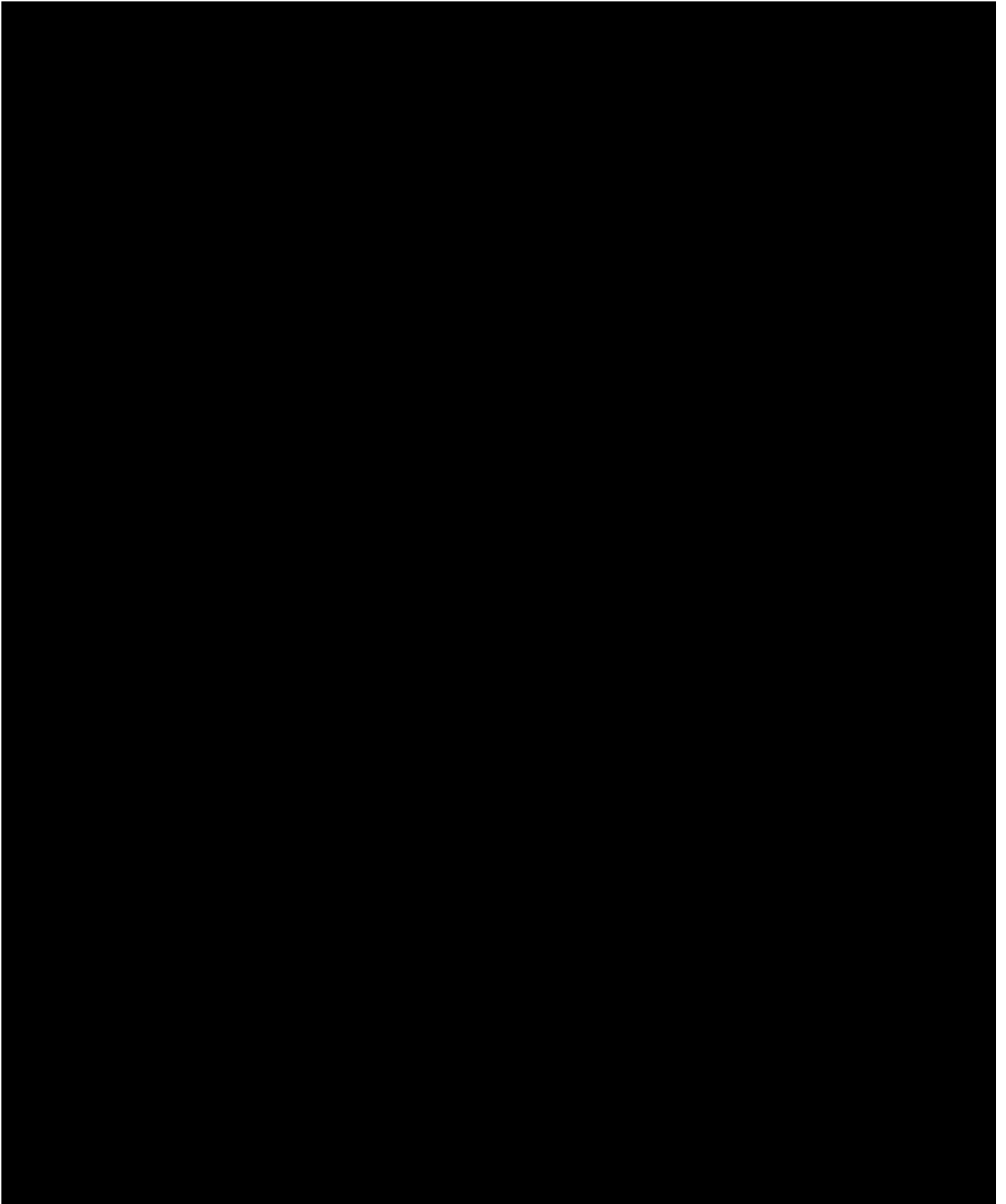


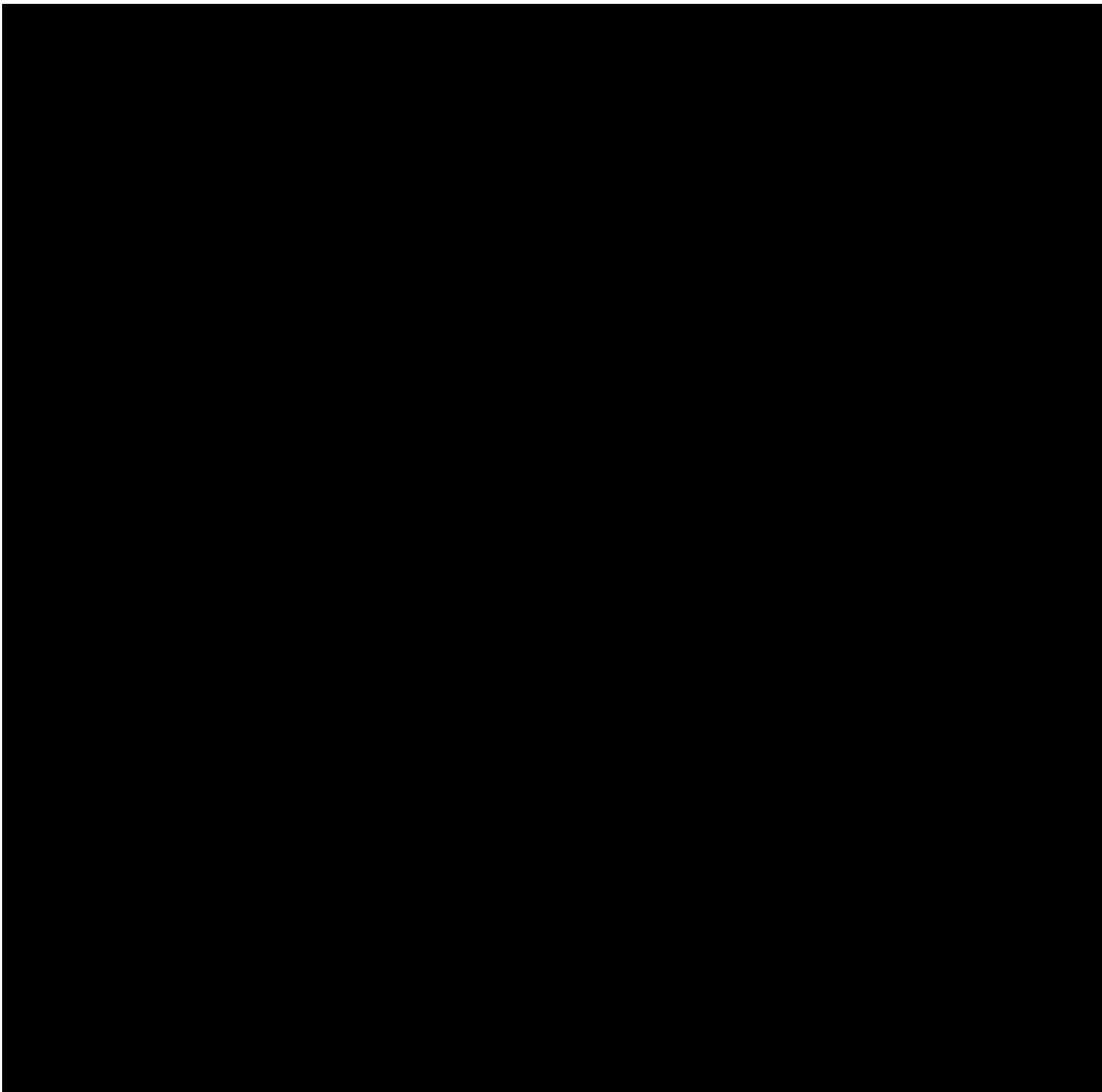


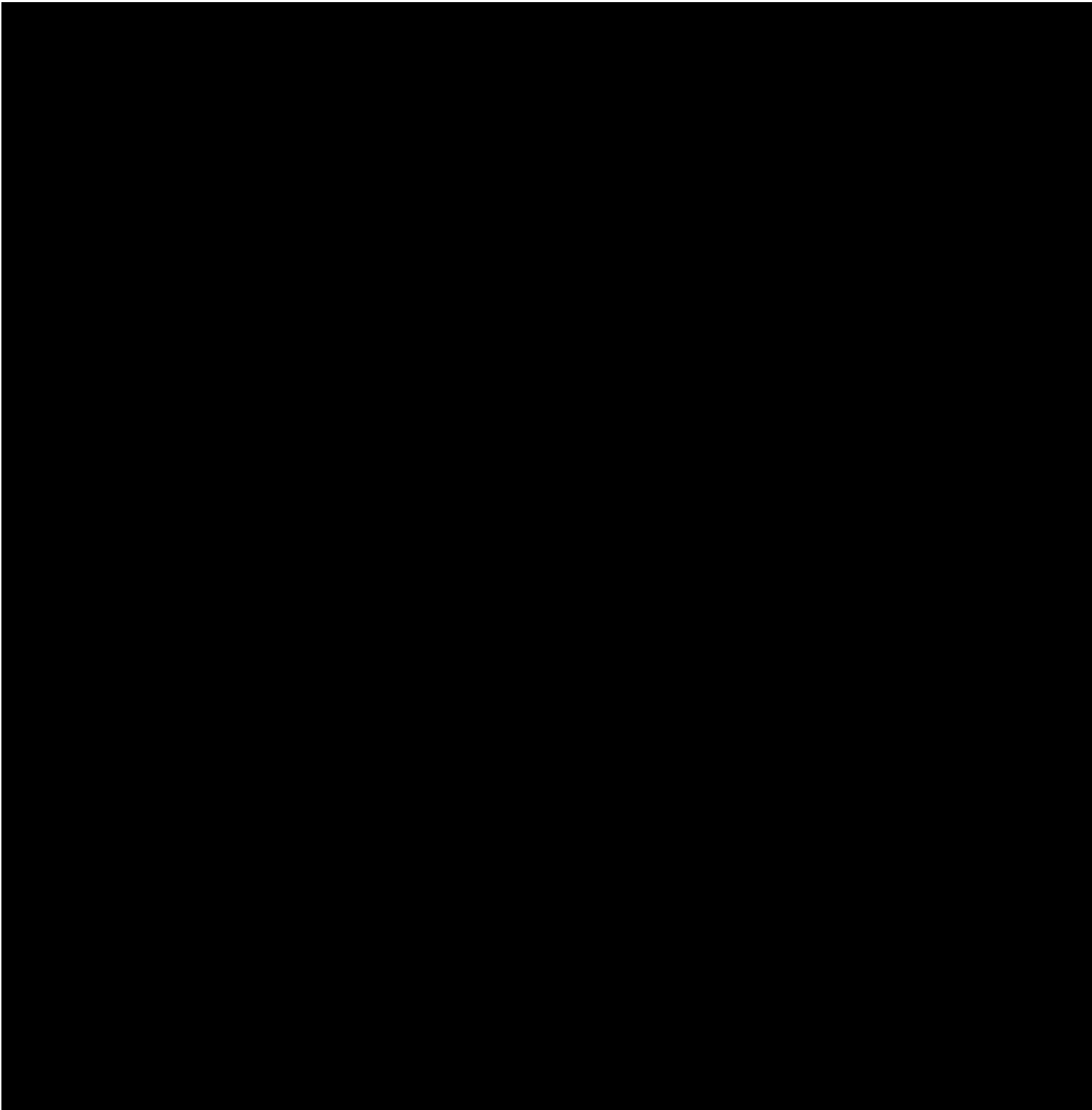


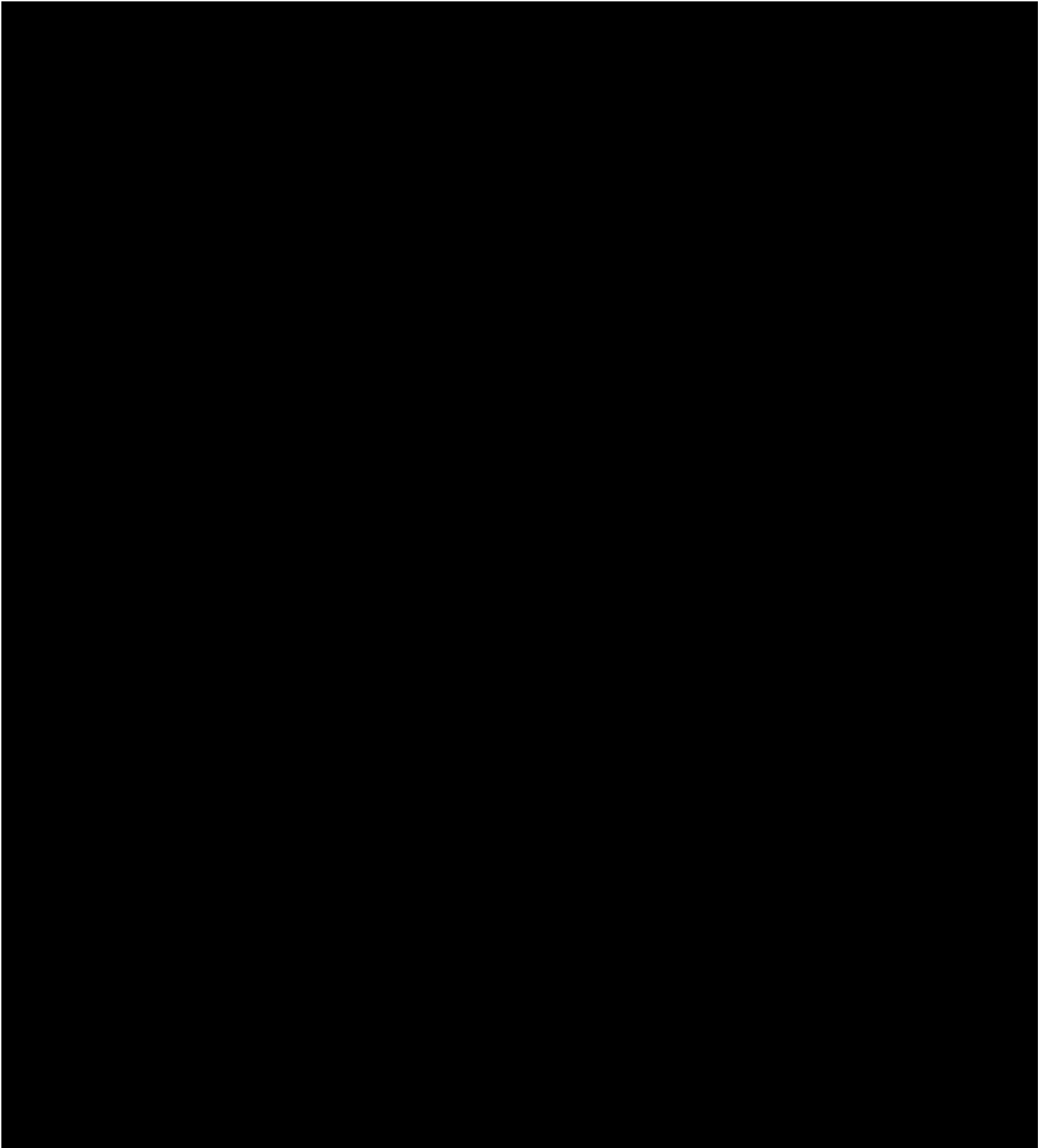


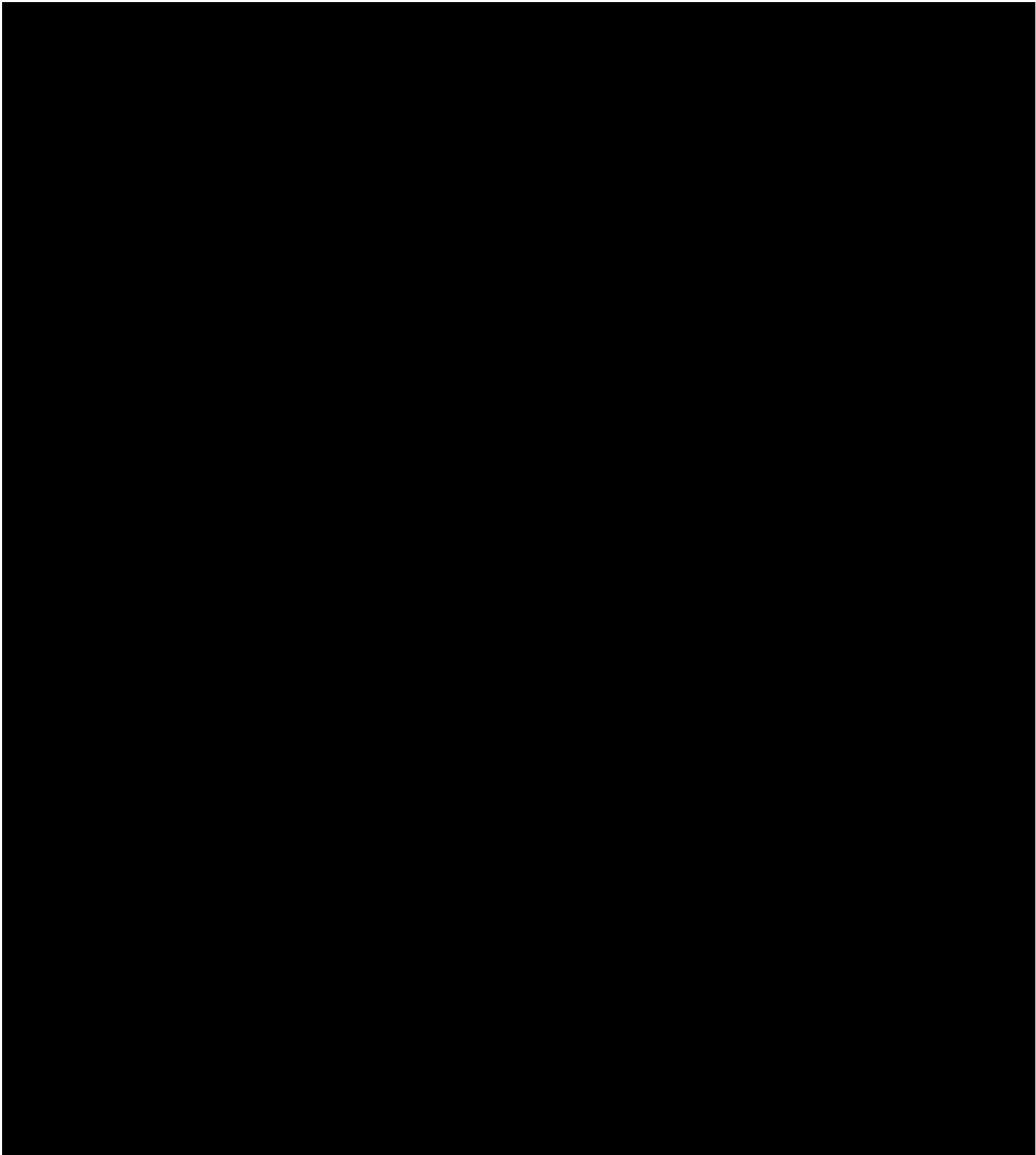


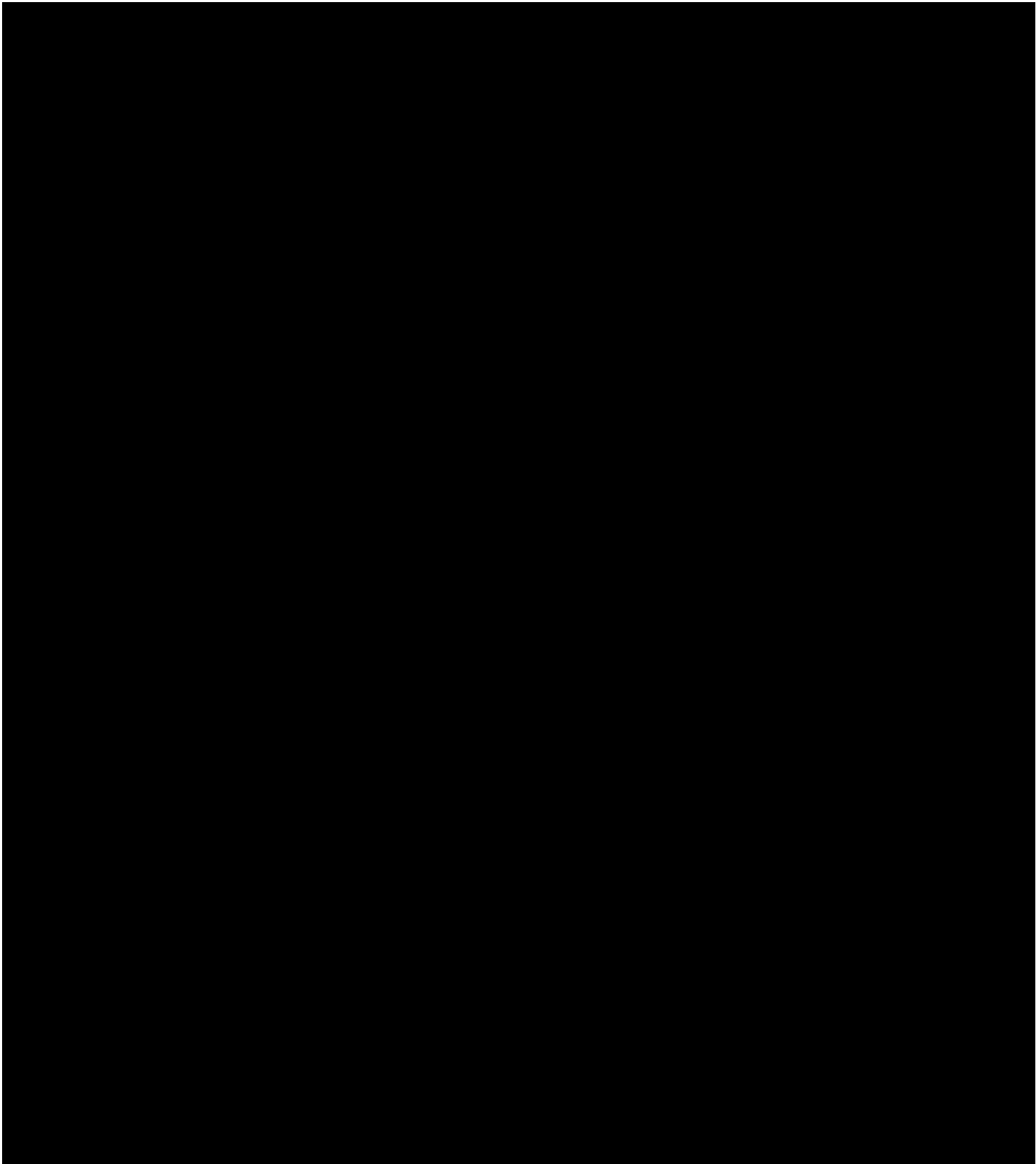


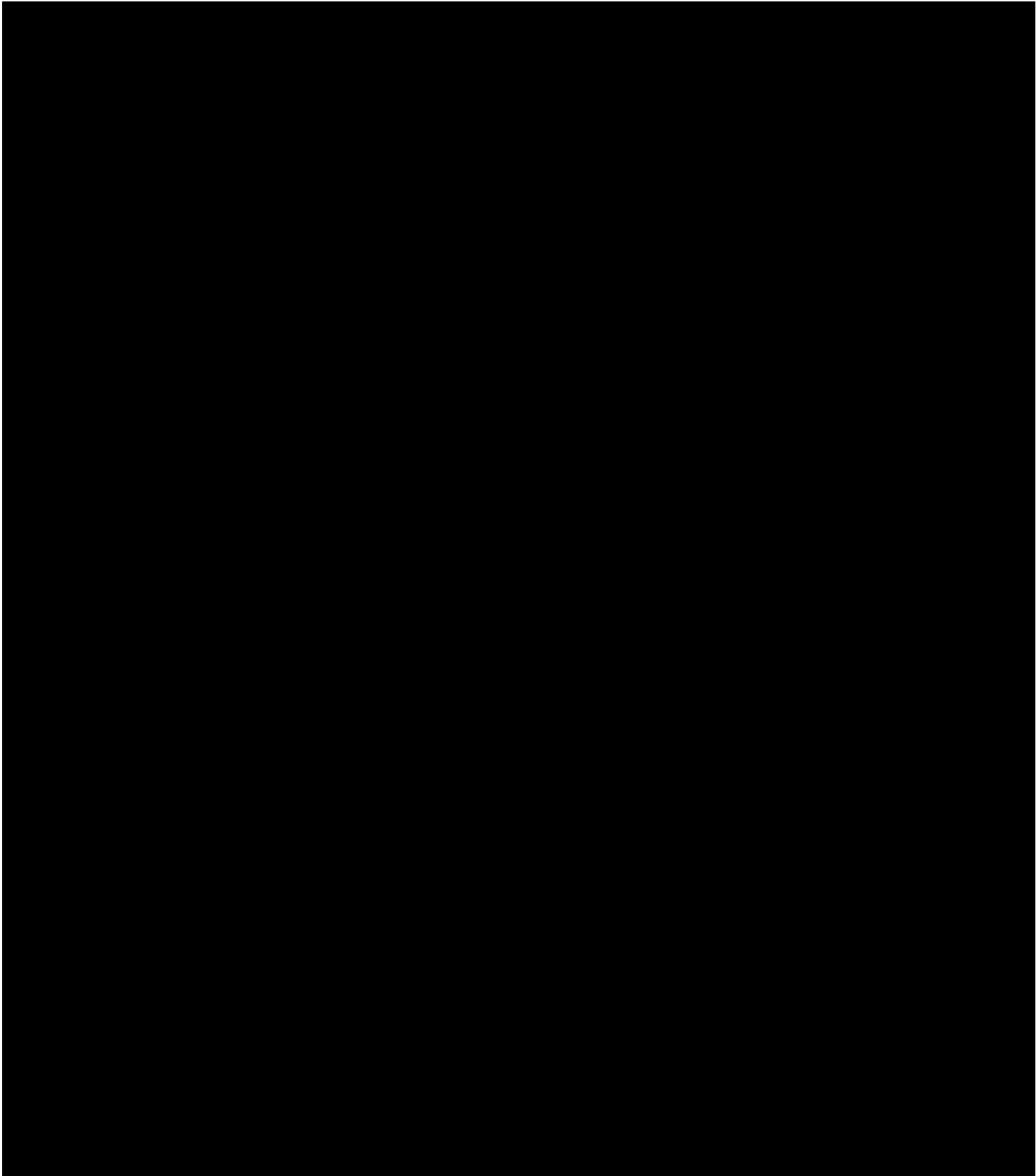


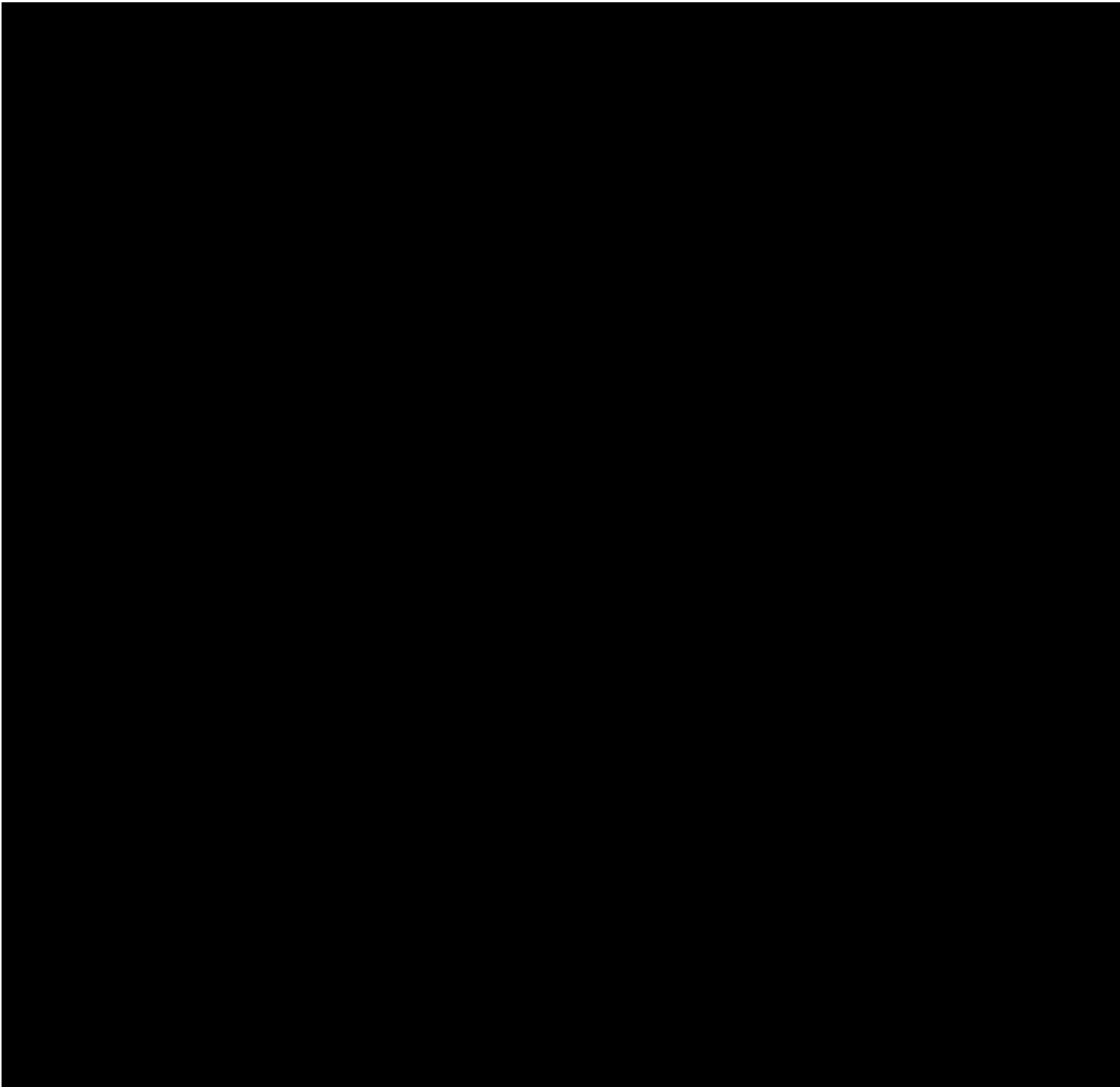


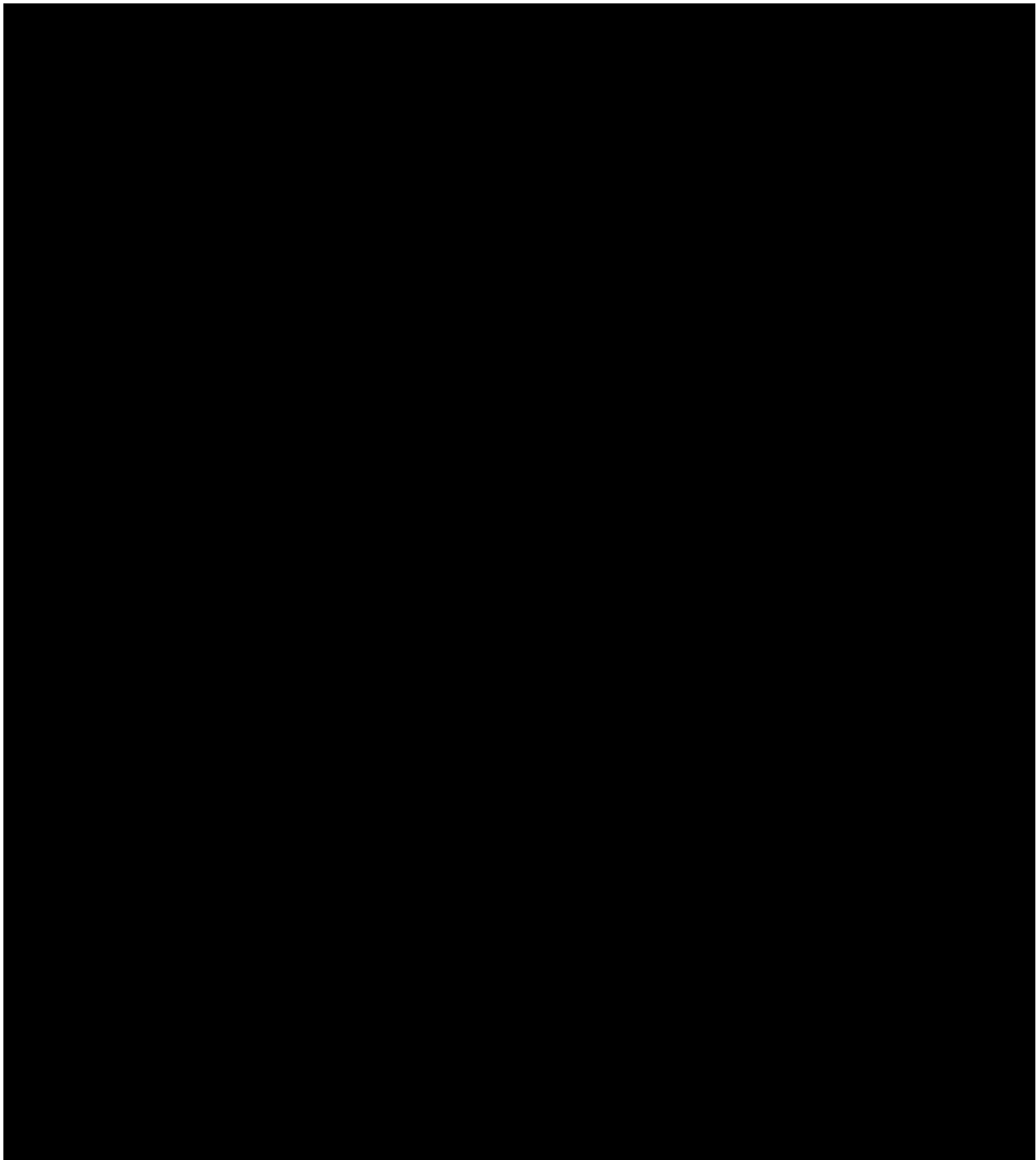


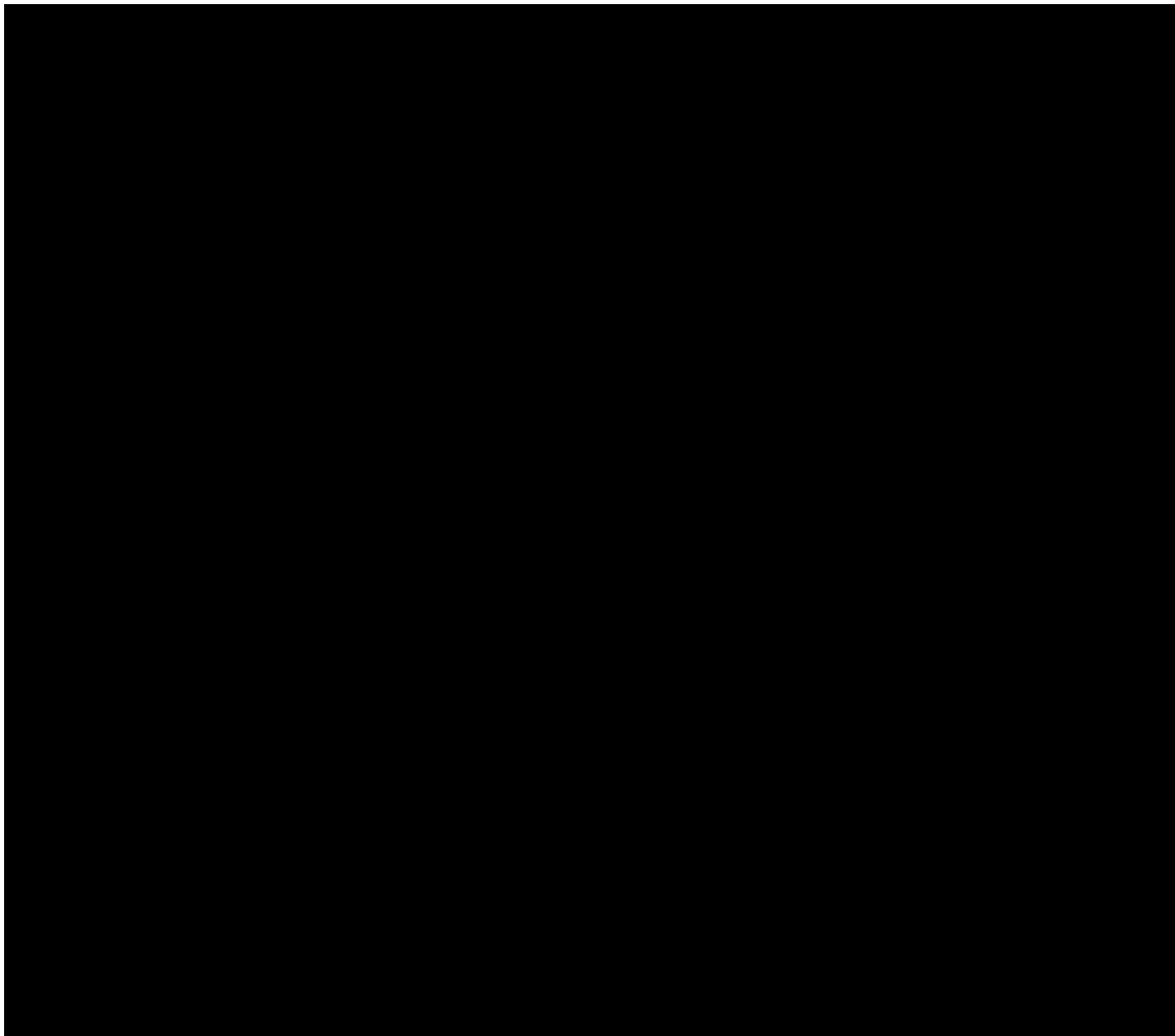


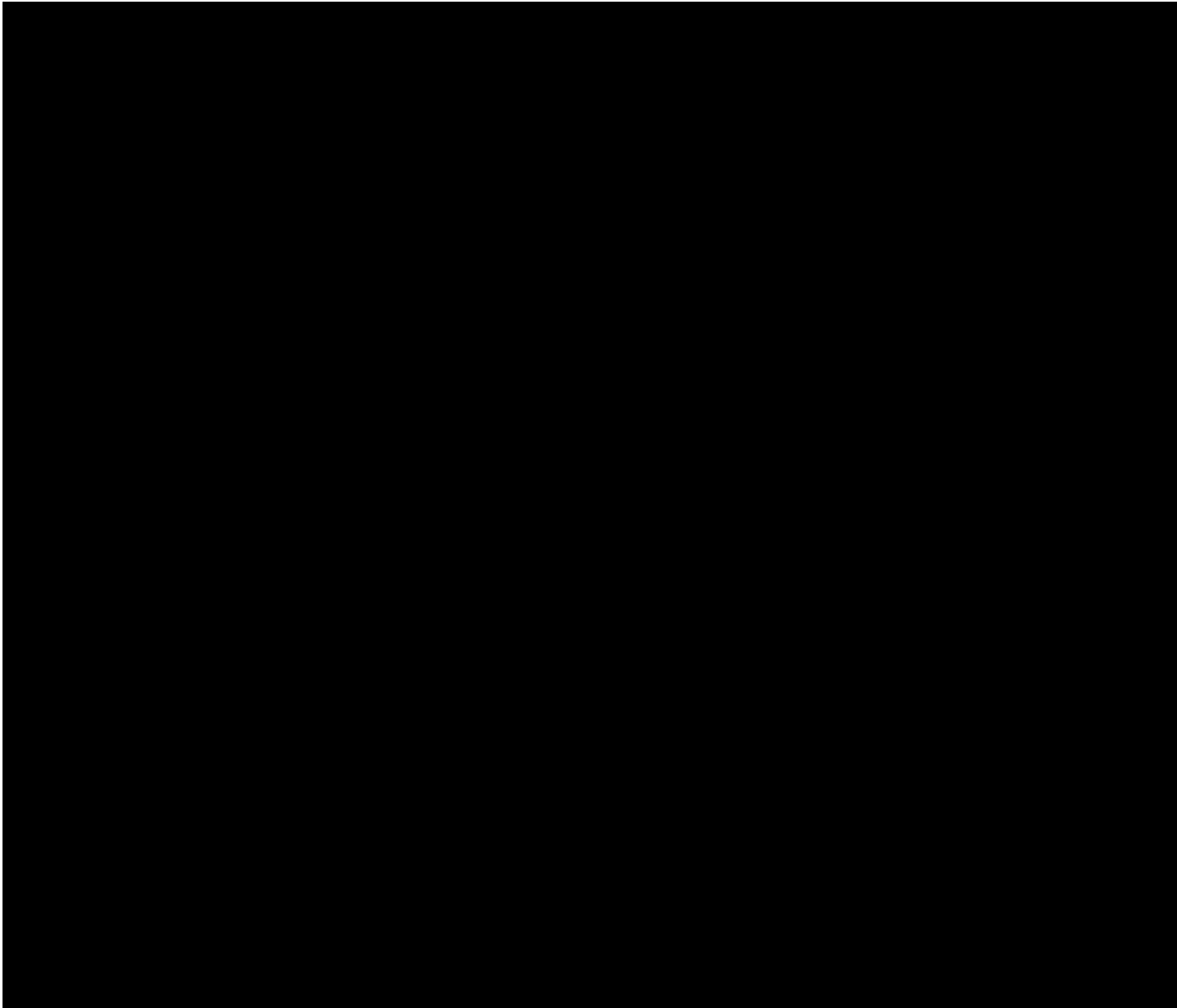


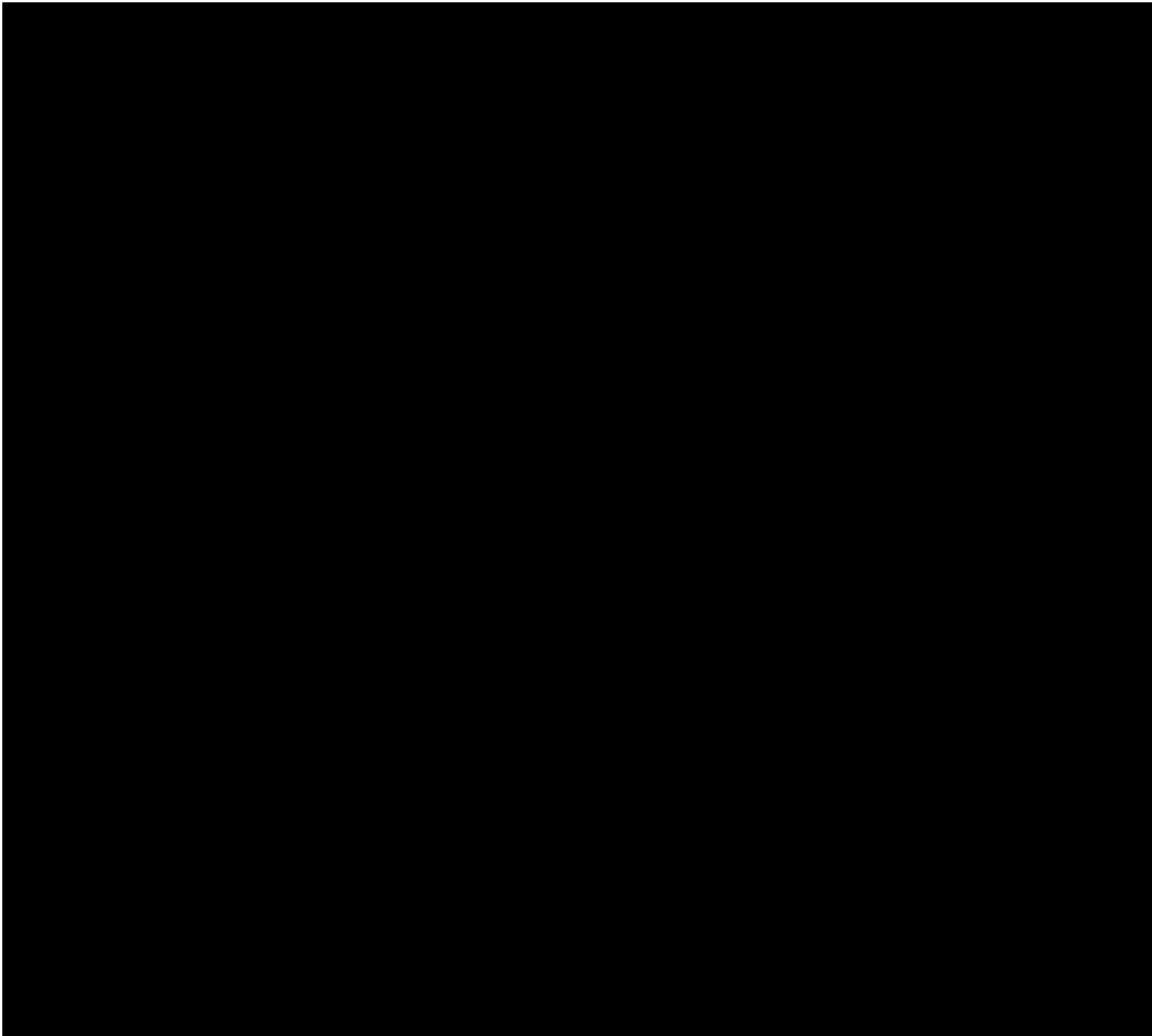


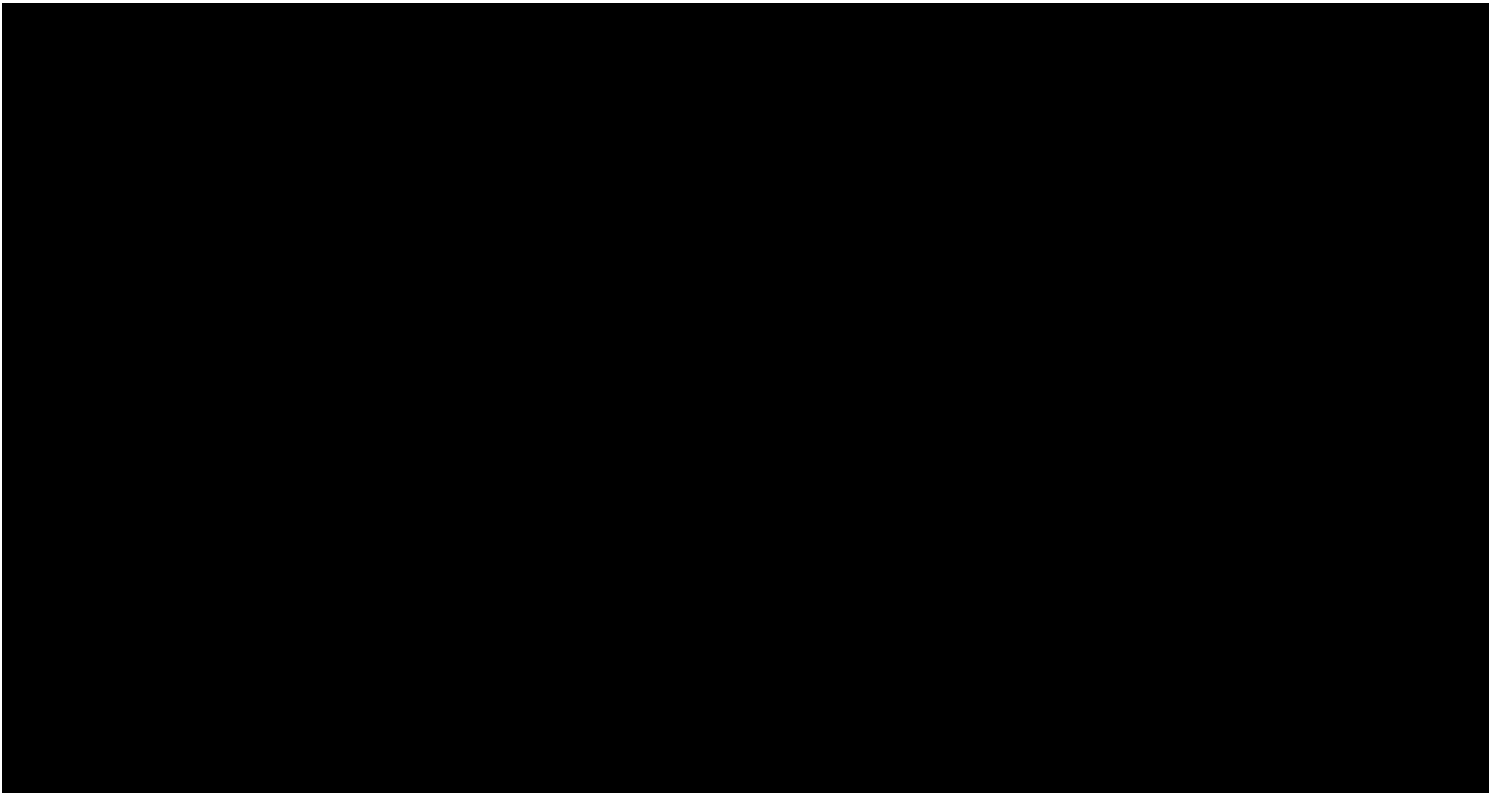


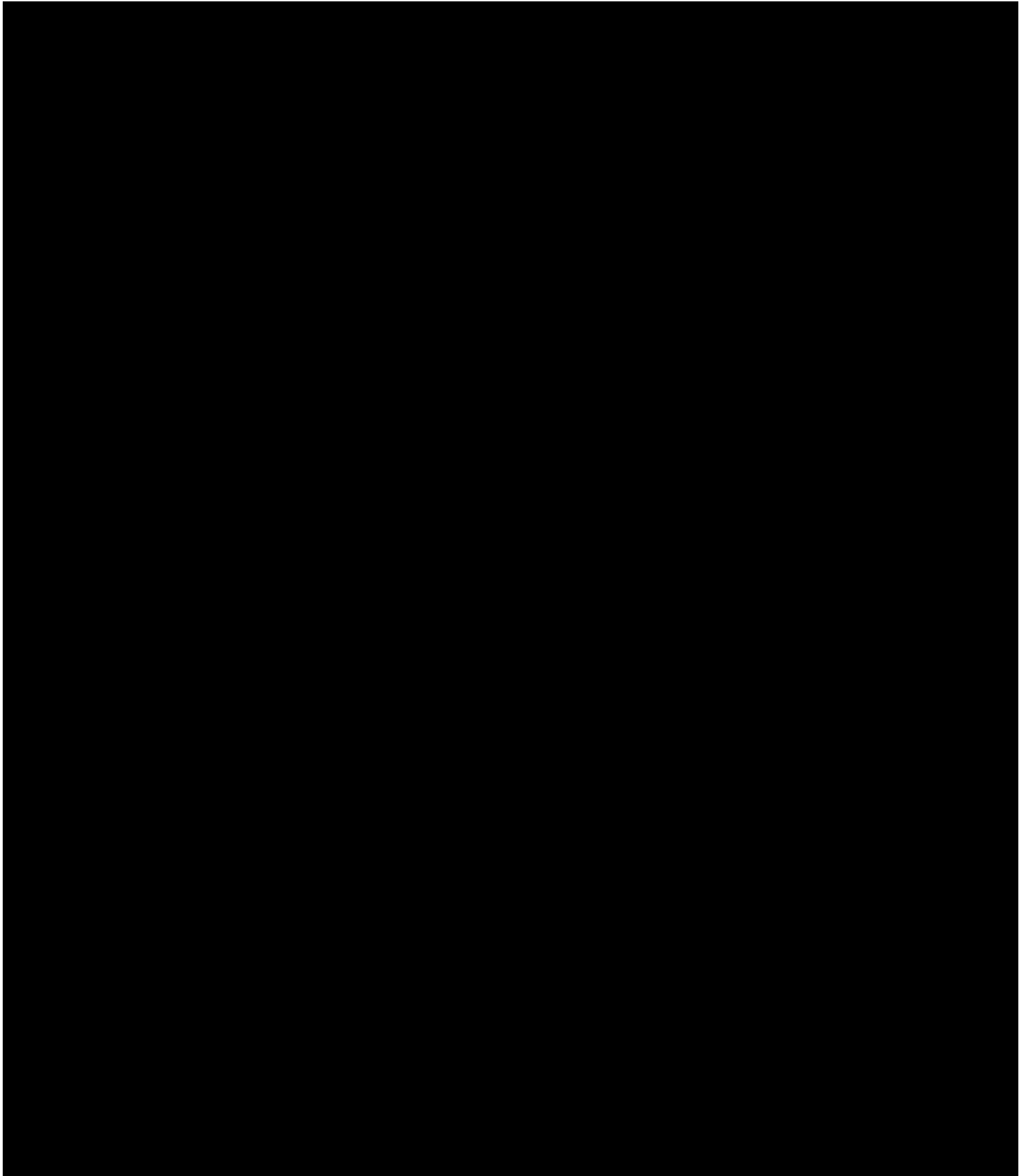


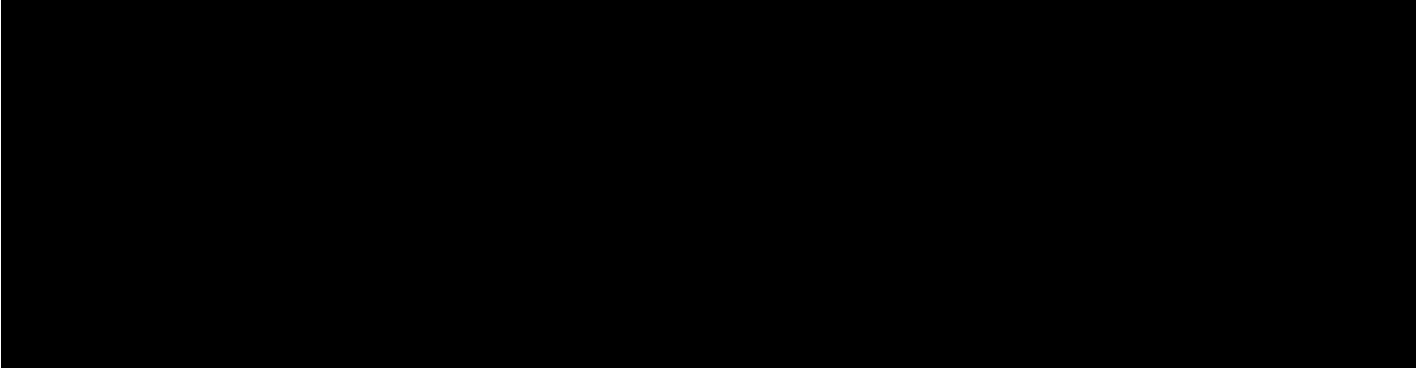














woodardcurran.com
COMMITMENT & INTEGRITY DRIVE RESULTS

EXHIBIT I

THIS INSTRUMENT PREPARED BY:

Charles L. Cooper
Bryant Miller Olive P.A.
1545 Raymond Diehl Rd., Ste. 300
Tallahassee, FL 32308

Property Appraiser's ID #: 008957-2210, 008983-1002

Consideration: \$ _____

Doc Stamps: \$ _____

_____ [Space Above This Line For Recording Data] _____

WARRANTY DEED

This Warranty Deed is made this ____ day of _____, 2021, by NEIGHBORHOOD UTILITIES, INC., a Florida corporation ("Grantor") whose post office address is _____, to CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC, a Florida limited liability company ("Grantee") whose post office address is _____.

"Grantor" and "Grantee" are used for singular or plural, as context requires.

WITNESSETH, that Grantor, for the sum of \$10 and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto Grantee the following described property:

See Exhibit "A" attached hereto and by reference made a part hereof.

This conveyance is subject to easements, restrictions, reservations, and limitations of record, if any, **and together with** all the easements, tenements, hereditaments and appurtenances thereto belonging or in anywise benefitting or appertaining, to have and to hold the same in fee simple forever.

And, Grantor hereby covenants with Grantee that Grantor is lawfully seized of said land in fee simple; that Grantor has good right and lawful authority to sell and convey said land; that Grantor hereby fully warrants the title to said land; and that Grantor will defend the same against the lawful claims of all persons whomever, and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 202_, and the following [insert any other exceptions].

[Signature page to follow]

In Witness Whereof, Grantor has signed and sealed these presents the day and year above written.

Signed, sealed and delivered as to Grantor
in the presence of:

NEIGHBORHOOD UTILITIES, INC., a
Florida corporation

By: _____
W. Larry O'Steen

Print Name: _____

Title: President

Print Name: _____

STATE OF _____
COUNTY OF _____
DRAFT

The foregoing instrument was sworn to (or affirmed) and subscribed before me by means of physical presence or online notarization, this ___ day of ___, 2021, by _____, as W. LARRY O'STEEN, President of NEIGHBORHOOD UTILITIES, INC., on behalf of the company. He () is personally known to me or () produced _____ as identification.

Notary Public
My Commission Expires:

EXHIBIT "A"

[FINAL LEGAL DESCRIPTIONS TO BE INSERTED PRIOR TO CLOSING]

PARCEL 1: Tract A, Timber Creek Unit One, according to the plat thereof recorded in Plat Book 38, pages 43 and 43a, of the current public records of Duval County, Florida

PARCEL 2: Tract A, Victoria Forest Unit Two, according to the plat thereof recorded in Plat Book 45, pages 21, 21A, 21B, 21C, 21D and 21E, of the current public records of Duval County, Florida.

PARCEL 3: Together with the following beneficial easements:

Declaration of Covenants and Restrictions regarding Sewer and Water Utility Services recorded March 14, 1986 in Official Records Book 6099, page 1449, as affected by Assignment of Rights in favor of Neighborhood Services, Inc., recorded January 8, 1987 in Official Records Book 6258, page 1315, in the public records of Duval County, Florida.

Utility Easement in favor of Neighborhood Utilities, Inc. recorded August 23, 1988 in Official Records Book 6566, page 2273, in the public records of Duval County, Florida.

Utility Easement in favor of Neighborhood Utilities, Inc., recorded March 15, 1989 in Official Records Book 6671, page 1049, in the public records of Duval County, Florida.

Utility Easements in favor of Neighborhood Utilities, Inc., recorded June 6, 1989 in Official Records Book 6714, page 18, and Official Records Book 6714, page 21, in the public records of Duval County, Florida.

Utility Easement in favor of Neighborhood Utilities, Inc., recorded November 3, 2005 in Official Records Book 12863, page 2403, in the public records of Duval County, Florida.

EXHIBIT J



St. Johns River Water Management District

Ann B. Shortelle, Ph.D., Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at www.sjrwmd.com.

August 5, 2020

Larry O'Steen
Neighborhood Utilities Inc
1381 Cassat Ave
Jacksonville, FL 32205-7084

SUBJECT: Neighborhood Utilities, Consumptive Use Permit Number 756-6
Duval County, Florida

Dear Sir/Madam:

Enclosed is the permit authorized by the District on August 5, 2020. The enclosed permit is a legal document and should be kept with other important records. Please read the permit and conditions carefully because the referenced conditions may require submittal of additional information. Where possible, please submit all information required to comply with permit conditions electronically at www.sjrwmd.com/permitting via the District's e-Permitting portal.

Please be advised that the District will not publish a notice in the newspaper advising the public that the permit has been issued. Enclosed is information on publishing notice of the permit. If a newspaper notice is not published to close the point of entry, the time to challenge the issuance of the permit will not expire. A potential petitioner has 26 days from the date on which the actual notice is deposited in the mail, or 21 days from publication of this notice when actual notice is not provided, within which to file a petition for an administrative hearing pursuant to Sections 120.569 and 120.57, *Florida Statutes*. Receipt of such a petition by the District may result in this permit becoming null and void. Also, enclosed is a copy of the Notice of Rights.

If you have any questions concerning the permit, please contact Paula Presley in the Jacksonville Service Center at (904) 448-7909 or Edmund Ulrich in the Jacksonville Service Center at (904) 448-7928

Sincerely,

A handwritten signature in black ink that reads "Rich Burklew".

Richard Burklew, Bureau Chief
Water Use Regulation

Agent: James Lucas
J Lucas & Associates Inc
1305 Cedar St
Jacksonville, FL 32207-8553

GOVERNING BOARD

Douglas Burnett, CHAIRMAN
ST. AUGUSTINE

Ron Howse, TREASURER
COCOA

Douglas C. Bournique
VERO BEACH

Susan Dolan
SANFORD

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Post Office Box 1429
Palatka, Florida 32178-1429

PERMIT NO: 756-6

DATE ISSUED: August 5, 2020

PROJECT NAME: Neighborhood Utilities

A PERMIT AUTHORIZING:

The District authorizes, as limited by the attached permit conditions, the use of 36.1 million gallons per year (mgy) (0.099 million gallons per day (mgd), annual average) of groundwater from the Upper Floridan aquifer for public supply type uses through 2040.

LOCATION:

Site: Neighborhood Utilities
Duval County

SECTION(S):	TOWNSHIP(S):	RANGE(S):
31, 32	2S	25E
6	3S	25E

ISSUED TO:

Larry O'Steen
Neighborhood Utilities Inc
1381 Cassat Ave
Jacksonville, FL 32205-7084

The permittee agrees to hold and save the St. Johns River Water Management District and its successors harmless from any and all damages, claims, or liabilities which may arise from permit issuance. Said application, including all plans and specifications attached thereto, is by reference made a part hereof.

This permit does not convey to the permittee any property rights nor any rights or privileges other than those specified herein, nor relieve the permittee from complying with any applicable local government, state, or federal, rule, or ordinance.

This permit may be revoked, modified or transferred at any time pursuant to the appropriate provisions of Chapter 373, Florida Statutes and 40C-1, Florida Administrative Code.

PERMIT IS CONDITIONED UPON:

See conditions on attached "Exhibit A", dated August 5, 2020

AUTHORIZED BY: St. Johns River Water Management District
Division of Regulatory Services

By: 

Richard Burklew
Bureau Chief

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 756-6
Neighborhood Utilities
DATE ISSUED August 05, 2020

1. With advance notice to the permittee, District staff with proper identification shall have permission to enter, inspect, observe, collect samples, and take measurements of permitted facilities to determine compliance with the permit conditions and permitted plans and specifications. The permittee shall either accompany District staff onto the property or make provision for access onto the property.
2. Nothing in this permit should be construed to limit the authority of the St. Johns River Water Management District to declare a water shortage and issue orders pursuant to Chapter 373, F.S. In the event of a declared water shortage, the permittee must adhere to the water shortage restrictions, as specified by the District. The permittee is advised that during a water shortage, reports shall be submitted as required by District rule or order.
3. Prior to the construction, modification or abandonment of a well, the permittee must obtain a water well permit from the St. Johns River Water Management District or the appropriate local government pursuant to Chapter 40C-3, F.A.C. Construction, modification, or abandonment of a well will require modification of the consumptive use permit when such construction, modification, or abandonment is other than that specified and described on the consumptive use permit application form.
4. Leaking or inoperative well casings, valves, or controls must be repaired or replaced as required to eliminate the leak or make the system fully operational.
5. The permittee's consumptive use of water as authorized by this permit shall not interfere with legal uses of water existing at the time of permit application. If interference occurs, the District shall revoke the permit, in whole or in part, to curtail or abate the interference, unless the interference associated with the permittee's consumptive use of water is mitigated by the permittee pursuant to a District-approved plan.
6. The permittee's consumptive use of water as authorized by this permit shall not have significant adverse hydrologic impacts to off-site land uses existing at the time of permit application. If significant adverse hydrologic impacts occur, the District shall revoke the permit, in whole or in part, to curtail or abate the adverse impacts, unless the impacts associated with the permittee's consumptive use of water are mitigated by the permittee pursuant to a District-approved plan.
7. The permittee shall notify the District in writing within 30 days of any sale, transfer, or conveyance of ownership or any other loss of permitted legal control of the Project and/or related facilities from which the permitted consumptive use is made. Where permittee's control of the land subject to the permit was demonstrated through a lease, the permittee must either submit documentation showing that it continues to have legal control or transfer control of the permitted system/project to the new landowner or new lessee. All transfers of ownership are subject to the requirements of Rule 40C-1.612, F.A.C. Alternatively, the permittee may surrender the consumptive use permit to the District, thereby relinquishing the right to conduct any activities under the permit.
8. A District-issued identification tag shall be prominently displayed at each withdrawal site by permanently affixing such tag to the pump, headgate, valve, or other withdrawal facility as provided by Rule 40C-2.401, F.A.C. The permittee shall notify the District in the event that a replacement tag is needed.

9. The permittee's consumptive use of water as authorized by this permit shall not adversely impact wetlands, lakes, rivers, or springs. If adverse impacts occur, the District shall revoke the permit, in whole or in part, to curtail or abate the adverse impacts, unless the impacts associated with the permittee's consumptive use of water are mitigated by the permittee pursuant to a District-approved plan.
10. The permittee's consumptive use of water as authorized by this permit shall not reduce a flow or level below any minimum flow or level established by the District or the Department of Environmental Protection pursuant to Section 373.042 and 373.0421, F.S. If the permittee's use of water causes or contributes to such a reduction, then the District shall revoke the permit, in whole or in part, unless the permittee implements all provisions applicable to the permittee's use in a District-approved recovery or prevention strategy.
11. The permittee's consumptive use of water as authorized by the permit shall not cause or contribute to significant saline water intrusion. If significant saline water intrusion occurs, the District shall revoke the permit, in whole or in part, to curtail or abate the saline water intrusion, unless the saline water intrusion associated with the permittee's consumptive use of water is mitigated by the permittee pursuant to a District-approved plan.
12. The permittee's consumptive use of water as authorized by the permit shall not cause or contribute to flood damage. If the permittee's consumptive use causes or contributes to flood damage, the District shall revoke the permit, in whole or in part, to curtail or abate the flood damage, unless the flood damage associated with the permittee's consumptive use of water is mitigated by the permittee pursuant to a District-approved plan.
13. All consumptive uses authorized by this permit shall be implemented as conditioned by this permit, including any documents incorporated by reference in a permit condition. The District may revoke this permit, in whole or in part, or take enforcement action, pursuant to Section 373.136 or 373.243, F.S., unless a permit modification has been obtained to address the noncompliance. The permittee shall immediately notify the District in writing of any previously submitted information that is later discovered to be inaccurate.
14. This permit does not convey to the permittee any property rights or privileges other than those specified herein, nor relieve the permittee from complying with any applicable local government, state, or federal law, rule, or ordinance.
15. A permittee may seek modification of any term of an unexpired permit. The permittee is advised that Section 373.239, F.S., and Rule 40C-2.331, F.A.C., are applicable to permit modifications.
16. Following the effective date of the re-evaluated Minimum Flows and Levels adopted pursuant to Rule 62-42.300(1)(e), F.A.C., this permit is subject to modification during the term of the permit, upon reasonable notice by the District to the permittee, to achieve compliance with any approved MFL recovery or prevention strategy for the Lower Santa Fe River, Ichetucknee River, and Associated Priority Springs. Nothing herein shall be construed to alter the District's authority to modify a permit under circumstances not addressed in this condition.
17. All submittals made to demonstrate compliance with this permit must include CUP number 756-6 labeled on the submittal. Submittals should be made on-line at www.sjrwmd.com/permitting whenever possible.
18. This permit will expire on August 5, 2040.
19. Maximum annual groundwater withdrawals from the Upper Floridan aquifer for public supply type uses must not exceed 36.1 million gallons (0.099 mgd, annual average).

20. All wells must be equipped with totalizing flow meters. All flow meters must measure within +/- 5% of actual flow, be verifiable and be installed according to the manufacturer's specifications.
21. The permittee shall maintain monthly records of water use, by source, for the permitted project and shall provide the records to the District upon request. The records must be maintained for the life of the permit.
22. In order to ensure that the volume of water withdrawn and recorded by the permittee is accurate to within +/- 5% of actual flow (+/- 10% of flow when using an alternative method), the meter accuracy or flow rate from each withdrawal point must be validated once every 10 years and recorded on either the Flow Meter Accuracy Report Form (EN-51) or Alternative Method Flow Verification Report Form (whichever form is applicable). The validation documents must be provided to the District upon request.
23. The permittee must maintain all flowmeters and alternative methods for measuring flow. In case of failure or breakdown of any meter, the District must be notified in writing within 5 days of its discovery. A defective meter must be repaired or replaced within 30 days of its discovery.
24. The permittee must implement the Water Conservation Plan submitted to the District on August 4, 2020, in accordance with the schedule contained therein.
25. The permittee shall use the lowest quality water source, such as reclaimed water, surface/storm water, or alternative water supply, to supply the needs of the project when deemed feasible pursuant to District rules and applicable state law.
26. All irrigation shall be in conformity with the requirements set forth in subsection 40C-2.042(2), F.A.C.
27. By January 31 each year, the permittee shall submit a completed Annual Statement of Continuing Use form to the District. The preferred method of submittal is www.sjrwmd.com/permitting.

EXHIBIT K



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valensteln
Secretary

September 3, 2020

Sent electronically to: wlarryo@hotmail.com

Mr. Larry O'Steen
Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, Florida 32210

**RE: Warning Letter No. WL20-195
Neighborhood Utilities (Timber Creek)
PWS ID No. 2164279
Duval County – Drinking Water**

Dear Mr. O'Steen:

A sanitary survey inspection was conducted at your system on July 1, 2020. During this inspection, possible violations of Chapter 403, Florida Statutes (Fla. Stat.), and Chapter 62-555, Florida Administrative Code (Fla. Admin. Code), were observed.

During the inspection, Department personnel noted the following:

- High Service Pump 2 was leaking;
- Well Pump 1 was leaking;
- Well Pump 1 had biogrowth in the well casing; and
- The on-site generator was non-functional and has been since at least 2017.

On March 15, 2017, a written Compliance Assistance Offer Letter was issued to you as part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. You failed to respond to the Compliance Assistance Offer Letter within 15 days, or responded as follows:

- Mr. O'Steen stated that he was in the bidding process of replacing the generator. No further information was provided.

On May 28, 2019, a written Warning Letter (WL19-116) was issued to you as a precursor to enforcement. You failed to respond to the Warning Letter within 15 days, or responded as follows:

- Through the operating company U.S. Water Corporation, the company explained that they provided a proposal to the owner for the investigation and repair of standby power, but the owner elected to utilize a different vendor. No further information was provided.

Violations of Florida Statutes or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to Section 403.131, Florida Statutes.

Please contact Matthew Kershner at (904) 256-1649, within 15 days of receipt of this Warning Letter to arrange a meeting to discuss this matter. The Department is interested in receiving any facts that you may which might assist in determining whether any violations have occurred. You may bring anyone with you to the meeting that you feel could help resolve this.

Please be advised that this Warning Letter is part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), Florida Statutes. We look forward to your cooperation in completing our investigation and resolving this as soon as possible.

Sincerely,



Gregory J. Strong
District Director

Enclosure: Sanitary Survey Inspection Report

cc: FDEP-NED: Matthew Kershner, Joni Petry, Shane Tierney, DEP_NED
Melisa Rotteveel, U.S. Water Corp. - mrotteveel@uswatercorp.com

Florida Department of Environmental Protection

Northeast District Public Water System Sanitary Survey Inspection Report

Water system: Neighborhood Utilities		System PWS #: 2164279	Survey date: 7/1/2020
Facility type class: Community - (5C)		Source type: Ground	4-Log approved: No
Facility address: 10400 Timber Creek Lane, Jacksonville, FL 32202			
Facility phone(s): 904-350-9824		Facility email/fax: wlarryo@hotmail.com	
Facility contact: Mr. Larry O'Steen		Facility contact phone(s): 904-389-0487	
Facility contact email/fax: wlarryo@hotmail.com			
Owner name: Mr. Larry O'Steen		Company name: Neighborhood Utilities Inc	
Owner/Corp address: 4551 Shirley Ave		City: Jacksonville	State: FL Zip: 32210
Owner/Corp phone(s): 904-389-0487		Owner e-contact(s): wlarryo@hotmail.com	
Operator name: Quincy Jones		Certification: C-14369	
Operator phone(s): 866-753-8292		Operator email/fax: rhiggins@uswatercorp.net	
On-site Rep: Quincy Jones	Immediate Action Required?: No		Inspection recap given? Yes

SERVICE AREA CHARACTERISTICS

Neighborhood, MHP

Food Service: Yes No N/A

GENERAL INFORMATION

Number of Service Connections 406
 Population Served 1,015 Basis Owner
 Plant Design Capacity 360,000 gpd
 Basis well pump calibration 6/2008
 Average Day (from MORs) 67,742 gpd
 Max. Day (from MORs) 187,000 gpd
 Total Storage Capacity 41,000 gallons
 Comments 25K GST + 15K Gst + 1/2(2k H tank)

LOCATION

Latitude 30° 16' 47.5125" North
 Longitude 81° 50' 2.2819" West
 GPS: No Date: DPHO 9/25/08
 Directions Take I-95 N to I-10 W to I-295S. From I-295S take the Normandy exit 19 and turn left. Continue for ~4 miles and turn right onto Blair Rd. Go -5 miles and turn left onto Timber Creek Lane. WTP is on the right.

OPERATION & MAINTENANCE

Certified Operator: Yes No Not required
 Plant visits conducted by: Quincy Jones
 O&M Log: Yes No O&M Manual: Yes No
 Visitation Frequency
 Hrs/day: *Required* 0.1 *Actual* 0.2
 Hrs/wk: *Required* 0.6 *Actual* 1.2
 Days/wk: *Required* 6 *Actual* 6
 Non-consecutive Days? Yes No N/A
 MORs submitted regularly? Yes No N/A
 Data missing from MORs? No Yes N/A
Alfred Lewis also operates the plant
C-7228

RAW WATER SOURCE

GROUND; Number of Wells 1
 SURFACE/UDI; Source _____
 PURCHASED from PWS ID # _____
 Emergency Water Source JEA Major Grid
 Emergency Water Capacity 360,000

AUXILIARY POWER SOURCE

Yes None Not Required
 Source Generator
 Capacity of Standby (kW) 250
 Switchover: Automatic Manual
 Standby Plan: Yes No
 Hrs Operated Under Load *N/A
 What equipment does it operate?
 Well pumps _____
 High Service Pumps _____
 Treatment Equipment _____
 Satisfy 1/2 max-day demand? Yes No Unk
 Comments Generator is out of service at
time of inspection

TREATMENT PROCESSES IN USE

Aeration
Hypochlorination
 Is additional treatment needed? Yes No
 If so, for control of what deficiencies?
none

DISTRIBUTION SYSTEM

Flow Measuring Device Flow Meter
 Meter Size & Type Water Specialities 6"
 Meter tested w/i 5 yrs? Yes No Unk N/A
 Backflow Prevention: Yes No
 Cross-connections None noted
 Cross-connection Control Program: Yes No N/A
 Coliform Sampling Plan: Yes No
 Stage 2 DBPs Sampling Plan: Yes No N/A
 Lead & Copper Sampling Plan: Yes No N/A
 Comments Meter tested in Oct 2018

GROUND WATER SOURCE

Well Number (PWS Identification)	2		
Well Name (System Identification)	Well 2		
Year Drilled	1986		
Depth Drilled	1,000'		
Latitude	30° 16' 39.6776" N		
Longitude	81° 50' 2.2241" W		
GPS (Y or N) / Date (if applicable)	Y/2003		
Florida Well ID	AAE0046		
Static Water Level	20'		
Normal Yield (if different than rated capacity)	N/A		
Strainer	Unk		
Length (outside casing)	90'		
Diameter (outside casing)	8"x12"		
Material (outside casing)	Galvanized Steel		
Well Contamination History	None noted		
Is inundation of well possible?	Not Likely		
6' X 6' X 4" Concrete Pad	Ok		
SET BACKS	Septic Tank	> 150'	
	Reuse Water	> 150'	
	WW Plumbing	> 150'	
	Other Sanitary Hazard	> 150'	
PUMP	Type	Vertical Turbine*	
	Manufacturer Name	Peerless	
	Model Number	10LB-2	
	Rated Capacity (gpm)	350	
	Motor Horsepower	10	
Well casing 12" above grade?	Ok		
Well Casing Sanitary Seal	Ok		
Raw Water Sampling Tap	Ok		
Above Ground Check Valve	Ok		
Fence/Housing	Ok		
Well Vent Protection	Artesian		

COMMENTS *Small leak at pump around packing

*Algal growth present inside vert pump housing

CHLORINATION (Disinfection)

Type: Hypo-Chlorination
 Make Stenner 85MGP17 Capacity 17 gpd
 Chlorine Feed Rate Set to 3
 Avg. Amount of Cl₂ gas used N/A
 Chlorine Residuals: Plant 2.2+ Remote 2.12
 Remote tap location Chateau Pines
 DPD Test Kit: On-site With operator
 None Not Used Daily
 Injection Points Into Aerator
 Booster Pump Info n/a
 Comments _____

Chlorine Gas Use Requirements	Chlorine Gas Use Requirements		Comments n/a
	YES	NO	
Dual System	<input type="checkbox"/>	<input type="checkbox"/>	
Auto-switchover	<input type="checkbox"/>	<input type="checkbox"/>	
Alarms:			
Loss of Cl ₂ capability	<input type="checkbox"/>	<input type="checkbox"/>	
Loss of Cl ₂ residual	<input type="checkbox"/>	<input type="checkbox"/>	
Cl ₂ leak detection	<input type="checkbox"/>	<input type="checkbox"/>	
Scale	<input type="checkbox"/>	<input type="checkbox"/>	
Chained Cylinders	<input type="checkbox"/>	<input type="checkbox"/>	
Reserve Supply	<input type="checkbox"/>	<input type="checkbox"/>	
Adequate Air-pak	<input type="checkbox"/>	<input type="checkbox"/>	
Sign of Leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Fresh Ammonia	<input type="checkbox"/>	<input type="checkbox"/>	
Ventilation	<input type="checkbox"/>	<input type="checkbox"/>	
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	
Repair Kits	<input type="checkbox"/>	<input type="checkbox"/>	
Fitted Wrench	<input type="checkbox"/>	<input type="checkbox"/>	
Housing/Protection	<input type="checkbox"/>	<input type="checkbox"/>	

AERATION (Gases, Fe, & Mn Removal)

Type Tray Capacity 350 gpm
 Aerator Condition Good
 Bloodworm Presence None
 Visible Algae Growth None
 Protective Screen Condition Good
 Comments _____

STORAGE FACILITIES

(B) Bladder (CW) Clearwell (C) Contact (E) Elevated (G) Ground (H) Hydropneumatic (S.C.) See Comments

Tank Type/Number	H	G1	G2
Capacity (gal)	2000	15K	25K
Material	Steel	Steel	Steel
By-pass Piping	No	Yes	Yes
Gravity Drain	Yes	Yes	Yes
PRV/ARV	PRV	N/A	N/A
Protected Openings	Yes	Yes	Yes
Pressure Gauge	Yes	N/A	N/A
Sight Glass or Level Indicator	S.G.	No	No
Fittings for Sight Glass	Yes	No	No
Access Padlocked	Yes	Yes	Yes
Last Inspection Date (for tanks with access manholes)	2018	2018	2018
On/Off Pressure	40/60	N/A	N/A
Height to Bottom of Elevated Tank	N/A	N/A	N/A
Height to Max. Water Level	N/A	N/A	N/A

Comments _____

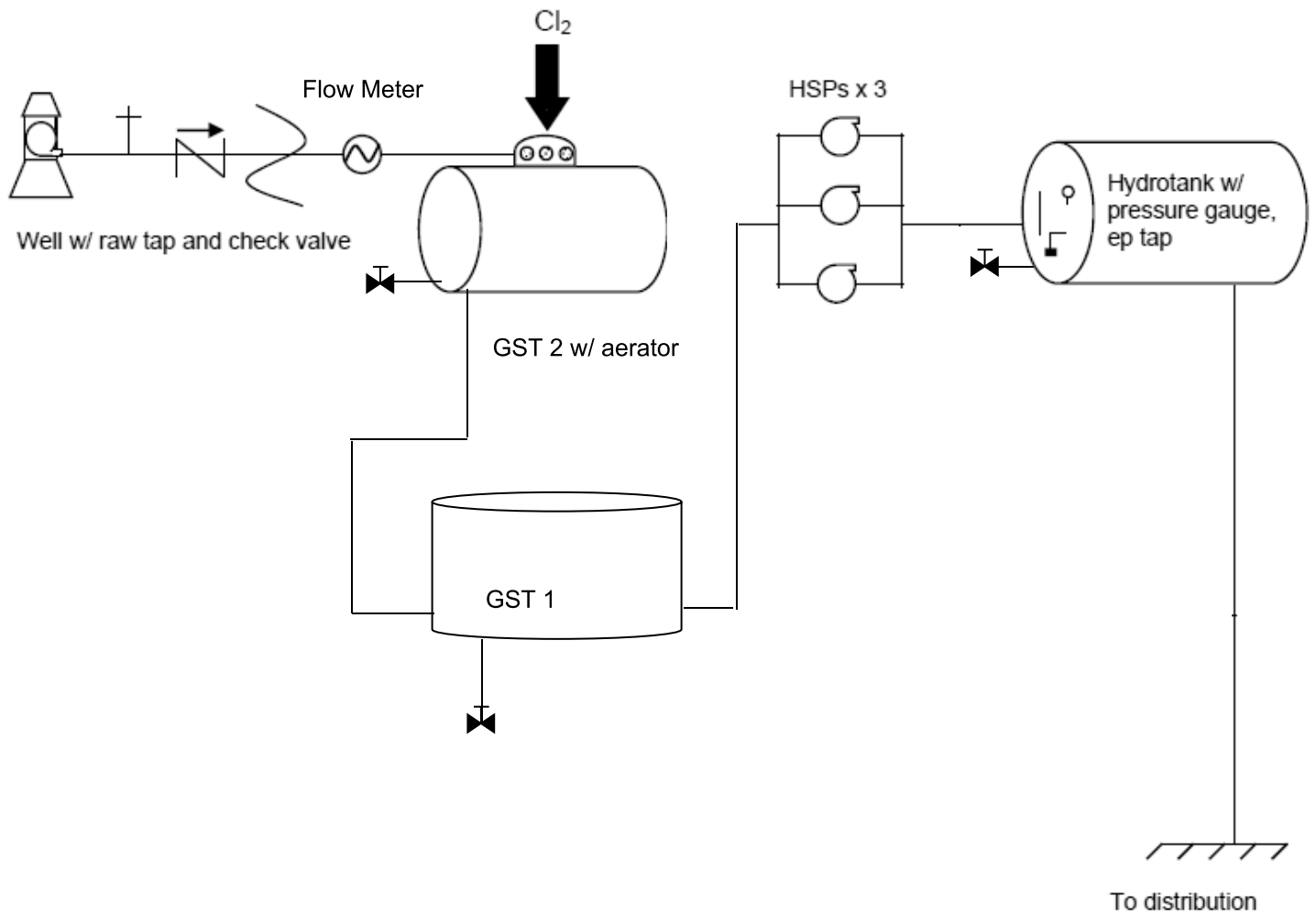
 All 3 tanks are finished water tanks with a manhole and require inspections by a certified engineer.

HIGH SERVICE PUMPS

Pump Number	1	2	3
Type	Centifugal	Centrifugal	Centrifugal
Make	Balder	Emerson	Sterling
Model	DYY2647	R433	C8W0AN-AF
Capacity (gpm)	341	256	256
Motor HP	20	15	15
Date Installed	1995	1995	1995
Maintenance	Ok	Ok	Ok

Comments Leak present on pump 2 check valve

SCHEMATIC (not to scale):



Monitoring Schedule					
Chemical	Next Due	Comments	Chemical	Next Due	Comments
Bacteriologicals	Monthly	2 Distribution and 1 Raw samples	VOCs	2021	
Disinfectant Levels	Monthly	with bactis	SOCs	2021	
Nitrate & Nitrite	2020		Rads	2021	All except Uranium
Inorganics	2021		DBPs	2020	November
Asbestos	2021	or waiver	Pb-Cu	2022	Jun-Sep
Secondaries	2021		WQPs	n/a	

*Sample locations vary. If you have any questions, please contact your inspector.

MONITORING VIOLATIONS	MCL VIOLATIONS
Insufficient distribution samples in Jan 2019	Odor MCL in Dec 2018

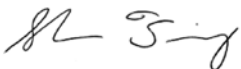
DEFICIENCIES:

#	Deficiency	Rule Reference	Corrective Action	Severity	Corrected
1	Pump(s) or valve(s) leaking or not properly functioning. (HSP2)	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
2	Inadequate standby power	62-555.320(14)	Provide adequate standby power.	Minor	No
3	Well 1 Pump is leaking or not properly functioning.	62-555.350(2)	Repair or contact the Department if replacement is necessary.	Minor	No
4	Well Pump 1 had biogrowth	62-555.350(2)	Thoroughly clean.	Minor	No

Any deficiency marked with an asterisk (*) is a repeat violation.

ADDITIONAL COMMENTS:

Generator has been out of service since at least 2017. A warning letter was issued in May of 2019 for this issue. As a result, the next step will be a enforcement action to compel correction of the deficiency. While there is an emergency interconnect with JEA, the switchover is not automatic and therefore does not satisfy the requirements of 62-555.320.

Inspector: 
 Shane Tierney, Environmental Specialist III

(904) 256-1642
 shane.tierney@dep.state.fl.us

Approved by: 
 Joni Petry, Environmental Consultant

Neighborhood Utilities, Inc.

1381 Cassat Ave.

Jacksonville, Florida 32205

Phone (904) 387-0487

2020 Annual Water Quality Report

Neighborhood Utilities is proud to present to you our Annual Water Quality Report. In complying with recent legislation, we have developed this report to provide you with valuable information about your drinking water. From this report, you will see that we comply with all applicable Federal regulations.

Except where indicated otherwise, this report is based on results of our monitoring for the period January 1st to December 31st 2020. As authorized and approved by the EPA, the State has reduced monitoring requirements for certain contaminants to less often than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of our data, though representative, is more than one year old.

Mark of Excellence

Since the beginning, Neighborhood Utilities' goal has been to produce the safest and highest quality water for all its customers. We are proud of our history of quality service. To maintain our commitment to you, our analysts routinely collect and test water samples every step of the way - from the source waters right to your home - checking purity and identifying potential problems. Through foresight and planning, efficiency in operations, and focus on excellence in customer service, we will provide you the best quality drinking water at an economical price well into the 21st century.

For more information about this report, or for any questions relating to your drinking water, please call Larry O'Steen at 904-387-0487.

Safe Drinking Water Act

Under the Safe Drinking Water Act (SDWA), EPA is responsible for setting national limits for hundreds of contaminants in drinking water and also specifies various treatments that water systems must use to remove these contaminants. Each system continually monitors for these contaminants and reports to the EPA if they were detected in the drinking water. EPA uses these data to ensure that consumers are receiving clean water and verify that states are enforcing the laws that regulate drinking water.

This publication conforms to the federal regulation under SDWA requiring water utilities to provide detailed water quality information to each of their customers annually. We are committed to providing you with this information about your water supply, because customers who are well informed are our best allies in supporting improvements necessary to maintain the highest drinking water standards.

Where Does My Water Come From?

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Our primary drinking water supply is 1 well from a ground water source called the Floridan Aquifer System. This aquifer is one of the major sources of ground water in the United States covering a total area of about 100,000 square miles. It underlies all of Florida, southern Georgia, and small parts of adjacent Alabama and South Carolina. Our ground water supply is not exposed to air and is not subject to direct pollution and contamination like a river or a reservoir. In fact, groundwater is the safest and highest quality water available to meet the public health demand of water intended for human consumption. Due to this, the only treatment of drinking water required for our system is aeration for odor control and chlorination for disinfection.

In 2020, the Department of Environmental Protection performed a Source Water Assessment on our system and a search of the data sources indicated no potential sources of contamination near our wells. The assessment results are available on the FDEP Source Water Assessment and Protection Program website at www.dep.state.fl.us/swapp.

How Will I Know If There's A Problem With My Water?

If the amount of a contaminant exceeds a predetermined safe level in your drinking water (MCL, Action Level, etc.), we will notify you via newspapers, radio, TV and other means within 24 hours. With the notification, you will be instructed on what appropriate actions you can take to protect your family's health.

For More Information

In association with the publishers of this report, we are excited to offer you an additional valuable resource. From Gemini Group's Web site (www.gemgrp.com), you will be able to learn more about the health effects relating to contaminants that might be found in drinking water. Also, you will find a number of resources for information on drinking water.

What's In My Water?

We are pleased to report that the water delivered to your home or business complied with, or did better than, all state and federal drinking water requirements. For your information, we have compiled a list in the table below showing what contaminants were detected in our drinking water during 2020, or before if applicable. Although all of the contaminants listed below are under the Maximum Contaminant Level (MCL) set by U.S. EPA, and therefore not expected to cause any health risks, we feel it is important that you know exactly what was detected and how much of the contaminant was present in the water.

Table Definitions:

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Maximum residual disinfectant level or MRDL: The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum residual disinfectant level goal or MRDLG: The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Parts per million (ppm): One part per million (or milligrams per liter) is equivalent to one penny in \$10,000.

Parts per billion (ppb): One part per billion (or micrograms per liter) is equivalent to one penny in \$10,000,000.

Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

ND: means that the contaminant was not detected in the laboratory results.

TEST RESULTS TABLE

Inorganic Contaminants							
Contaminant and Unit of Measurement	Dates of sampling (mo./yr.)	MCL Violation Y/N	Level Detected	Range of Results	MCLG	MCL	Likely Source of Contamination
Barium (ppm)	11/18	N	0.015	N/A	2	2	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits
Fluoride (ppm)	11/2018	N	0.45	N/A	4	4.0	Erosion of natural deposits; discharge from fertilizer and aluminum factories. Water additive which promotes strong teeth when at optimum levels between 0.7 and 1.2 ppm
Sodium (ppm)	11/2018	N	17	N/A	N/A	160	Salt water intrusion, leaching from soil

Stage 1 Disinfectant/ Stage 2 Disinfection By-Product (D/DBP) Parameters

For Chlorine monitored under Stage 1 D/DBP regulations, the level detected is the annual average of the quarterly averages. Range of Results is the range of results (lowest to highest) at the individual sampling sites.

For haloacetic acids or TTHM, the level detected is the highest RAA, computed quarterly, of quarterly averages of all samples collected if the system is monitoring quarterly or is the average of all samples taken during the year if the system monitors less frequently than quarterly. Range of Results is the range of individual sample results (lowest to highest) for all monitoring locations.

Contaminant and Unit of Measurement	Dates of sampling (mo./yr.)	MCL Violation Y/N	Level Detected	Range of Results	MCLG or MRDLG	MCL or MRDL	Likely Source of Contamination
Chlorine (ppm)	01-12/2020	N	1.38	1.05-2.12	MRDLG=4	MRDL = 4.0	Water additive used to control microbes
Total Trihalomethanes (TTHMs) (ppb)	11/2020	N	7.01	N/A	N/A	MCL = 80	By-product of drinking water disinfection

Lead and Copper (Tap Water)

Contaminant and Unit of Measurement	Dates of sampling (mo./yr.)	AL Violation Y/N	90th Percentile Result	No. of sampling sites exceeding the AL	MCLG	AL (Action Level)	Likely Source of Contamination
Copper (tap water) (ppm)	07/2019	N	0.067	0 of 10	1.3	1.3	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Lead (tap water) (ppb)	07/2019	N	0.5	0 of 10	0	15	Corrosion of household plumbing systems, erosion of natural deposits

SECONDARY CONTAMINANTS TABLE

Secondary Contaminants

Contaminant and Unit of Measurement	Dates of sampling (mo/yr)	MCL Violation Y/N	Highest Result	Range of Results	MCLG	MCL	Likely Source of Contamination
Odor (threshold odor number)	11/2018	Y	17	NA	NA	3	Naturally occurring organics

In 2018 we exceeded the MCL standard for odor. Odor is considered a Secondary Standard and affects the aesthetic quality of the water. It is not considered to adversely affect human health.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Study Estates MHP is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- (A) Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

- (B) Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- (C) Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- (D) Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- (E) Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the EPA prescribes regulations, which limit the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water, which must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbiological contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

We at Neighborhood Utilities work to provide top quality water to every tap. We ask that all our customers help us protect our water sources, which are the heart of our community, our way of life and our children's future.

EXHIBIT L

WATER TARIFF

NEIGHBORHOOD UTILITIES, INC.
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

NEIGHBORHOOD UTILITIES, INC.
NAME OF COMPANY

4551 Shirley Avenue

Jacksonville, Florida 32205
(ADDRESS OF COMPANY)

(904) 387-4761
(Business & Emergency Telephone Number)

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

WS-15-0184

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

WATER TARIFF

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TERRITORY AUTHORITY

CERTIFICATE NUMBER – 430-W

COUNTY – Duval

COMMISSION ORDER(S) APPROVING TERRITORY SERVED –

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
13723	09/28/1984	840063-WU	Original Certificate
PSC-11-0135-FOF-WU	02/28/2011	090441-WU	Amend/Delete Territory

DESCRIPTION OF TERRITORY SERVED

Please refer to description of territory served as filed in Docket Number 840063-WU. Order Number 13723, Issued 9/28/84, Certificate Number 430-W.

In Township 2 South, Range 25 East:

Section 31

The South 1/2 of said Section 31
LESS

the West 660 feet of said Section 31, and the Southeast 1/4 of the Southwest 1/4 of said Section 31, and the South 165 feet of the Southeast 1/4 of the Southeast 1/4 of said Section 31, and the North 300 feet of the South 756 feet of the East 437 feet of the Southeast 1/4 of the Southeast 1/4 of said Section 31, and the East 40 feet of the South 1/2 of said Section 31.

Docket No. 090441-WU; Order No. PSC-11-0135-FOF-WU, Issued 2/28/11:

NEIGHBORHOOD UTILITIES, INC.
DESCRIPTION OF WATER TERRITORY TO BE ADDED
DUVAL COUNTY

In Township 2 South, Range 25 East:

Section 31

Area name: NU-1. A portion of Tracts 13 and 14, Block 3, in Section 31 as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 1,224.03 feet to the Southwest corner of Tract 13, Block 3, Jacksonville Heights to the Point of Beginning; thence continue along said south line of Section 31, N 89° 42' 30" E a distance of 663.36 feet; thence N 00° 50' 36" E a distance of 664.62 feet; thence S 89° 46' 36" W a distance of 664.95 feet; thence S 00° 47' 27" W a distance of 665.40 feet to the Point of Beginning. Containing 10.14 acres.

In Township 2 South, Range 25 East and in Township 3 South, Range 25 East:

Area name: NU-2. A portion of Tracts 1 through 6, inclusive, Tracts 10 through 14, Block 3, and Tracts 5 through 8, inclusive Tracts 9, 11, and 12, Block 4, in Section 31, Township 2 South, Range 25 East, together with a portion of Tracts 6 and 7, Block 2, in Section 6, Township 3 South, Range 25 East as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

(Continued on Sheet No. 3.2)

(Continued from Sheet No. 3.1)

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 664.35 feet to the Southwest corner of Tract 11, Block 3, Jacksonville Heights, to the Point of Beginning; thence N 00° 44' 25" E a distance of 166.54 feet; thence S 89° 43' 33" W a distance of 614.49 feet; thence S 00° 39' 57" W a distance of 327.10 feet; thence N 89° 42' 31" E a distance of 248.32 feet; thence S 00° 38' 40" W a distance of 173.91 feet; thence N 89° 17' 13" E a distance of 364.98 feet; thence S 00° 39' 10" W a distance of 516.95 feet; thence N 84° 58' 30" E a distance of 172.65 feet; thence N 00° 40' 10" E a distance of 222.00 feet; thence N 84° 58' 30" E a distance of 160.00 feet; thence N 00° 41' 18" E a distance of 599.10 feet; thence S 89° 42' 31" W a distance of 330.34 feet to the Point of Beginning. Containing 11.61 acres.

NEIGHBORHOOD UTILITIES, INC.
DESCRIPTION OF WATER TERRITORY TO BE DELETED
DUVAL COUNTY

In Township 2 South, Range 25 East:

Section 31

Area name: JEA-1. A portion of Tracts 11 and 12, Block 3, in Section 31, as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 1,224.03 feet to the Southwest corner of Tract 13, Block 3, Jacksonville Heights, thence N 00° 47' 27" E along the west line of said Tract 13 a distance of 861.76 feet to the Point of Beginning; thence N 55° 09' 07" W a distance of 66.88 feet; thence N 89° 18' 56" W a distance of 219.61 feet; thence N 00° 46' 00" E a distance of 65.71 feet; thence N 89° 15' 41" W a distance of 110.00 feet; thence N 00° 43' 08" E a distance of 275.01 feet; thence N 89° 50' 42" E a distance of 155.39 feet; thence N 00° 01' 10" E a distance of 135.00 feet; thence N 89° 50' 42" E a distance of 230.97 feet; thence S 00° 47' 27" W a distance of 519.05 feet to the Point of Beginning. Containing 3.61 acres.

Area name: JEA-2. A portion of Tracts 9, 11, and 12, plus all of Tract 10, Block 4, in Section 31, as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida, more particularly described as follows:

Commence at the Southwest corner of said Section 31; thence N 89° 42' 31" E along the south line of said Section 31, a distance of 2,657.56 feet to the Southwest corner of Tract 11, Block 4, Jacksonville Heights, to the Point of Beginning; thence N 00° 53' 47" E a distance of 1327.69 feet; thence S 44° 38' 49" E a distance of 1,856.48 feet; thence S 89° 42' 31" W a distance of 1,325.40 feet to the Point of Beginning. Containing 20.19 acres.

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheets No.</u>
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TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is NEIGHBORHOOD UTILITIES, INC.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.
- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

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RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.
- The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.
- 2.0 TARIFF DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall be resolved pursuant to Rule 25-22.032, Florida Administrative Code.
- 3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service," prepared by the Florida Public Service Commission.
- 4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.
- 5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.
- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.
- 7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.
- 8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

(Continued from Sheet No. 7.0)

- 9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

- 10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

- 12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.
- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.
- 16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly – as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

INDEX OF RATES AND CHARGES SCHEDULES

	<u>Sheet Number</u>
Customer Deposits	14.0
General Service, GS	12.0
Meter Test Deposit.....	15.0
Miscellaneous Service Charges.....	16.0
Residential Service, RS	13.0

GENERAL SERVICE

RATE SCHEDULE (GS)

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to all Customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -

<u>Meter Sizes</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 8.44
3/4"	\$ 12.66
1"	\$ 21.09
1 1/2"	\$ 42.19
2"	\$ 67.50
3"	\$ 134.99
4"	\$ 210.93
6"	\$ 421.86
Charge per 1,000 gallons	\$ 4.81

- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE - December 27, 2020

TYPE OF FILING - Four Year Rate Reduction

WS-2021-0003

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

RESIDENTIAL SERVICE

RATE SCHEDULE (RS)

- AVAILABILITY – Available throughout the area served by the Company.
- APPLICABILITY – For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS – Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD – Monthly

RATE –

<u>Meter Sizes</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 8.44
3/4"	\$ 12.66
1"	\$ 21.09
1-1/2"	\$ 42.19
2"	\$ 67.50
3"	\$ 134.99
4"	\$ 210.93
6"	\$ 421.86
Charge per 1,000 gallons	
0 – 5,000 gallons	\$ 4.34
5,001 – 10,000 gallons	\$ 5.34
Over 10,000 gallons	\$ 8.00

- MINIMUM CHARGE – Base Facility Charge
- TERMS OF PAYMENT – Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

- EFFECTIVE DATE – December 27, 2020
- TYPE OF FILING – Four Year Rate Reduction

WS-2021-0003

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential Service</u>	<u>General Service</u>
5/8" x 3/4"	\$58.00	2x average estimated bill
All over 5/8" x 3/4"	2x average estimated bill	2x average estimated bill

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a).

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE - December 26, 2016

TYPE OF FILING - Staff-Assisted Rate Case

WS-16-0111

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

LATE PAYMENT CHARGE - This charge may be levied when a customer is delinquent in paying a bill for service, pursuant to subsection 25-30.335(4), F.A.C.

NSF CHARGE - This charge may be levied pursuant to Chapter 68, Florida Statutes, when a customer pays by check and that check is dishonored by the customers banking institution.

Schedule of Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$19.00	\$21.00
Normal Reconnection Charge	\$34.00	\$38.00
Violation Reconnection Charge	\$30.00	\$32.00
Premises Visit Charge (in lieu of disconnection)	\$19.00	\$21.00
Late Payment		\$ 4.30
NSF Check Charge		Pursuant to Statute 68.065(2)

EFFECTIVE DATE - December 26, 2016

TYPE OF FILING - Staff-Assisted Rate Case

WS-16-0111

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF SERVICE AVAILABILITY POLICY

<u>Description</u>	<u>Sheet No.</u>
General	18.0
Availability	18.0
"On-Site" and "Off-Site" Facilities	18.0
Advances	18.0
Service Availability Charges	19.0
Inspection Fees	18.0
Inspection of Plumber Hook-Ups	18.1

SERVICE AVAILABILITY POLICY

1.0 GENERAL POLICY

The terms and conditions of the availability of utility services by the Company is subject to Chapter 25-30, Florida Administrative Code ("F.A.C.").

2.0 AVAILABILITY

The provisions of this policy are available throughout the territory subject to matters of economic feasibility as defined by Rule 25-30.515(7), F.A.C.

3.0 ON-SITE AND OFF-SITE FACILITIES

On-site and off-site facilities may be provided by the Contributor pursuant to the requirements and specifications of the Company. Any facilities which may be constructed by the Contributor on the Company's side of the Point of Delivery as defined by Rules 25-30.210, (7), F.A.C., shall be conveyed to the Company by a bill of sale together with perpetual right-of-way and easements for necessary maintenance and replacement, and appropriate access to facilities as well as complete as-built plans for all such lines and facilities together with accurate cost records, to include material, labor, engineering, administrative and other related costs establishing the construction costs of all utility facilities, as a condition precedent to their acceptance by the Company and the initiation of service.

4.0 ADVANCE

If the off-site or on-site facilities can serve other areas than those of the Contributor, the Company may require that they be oversized to enable service to be provided to additional territory and that the Contributor advance the cost of such oversized facilities. So much of the cost as exceeds the hydraulic share of the Contributor will be refunded by the Company as refundable advances over a period not to exceed eight years, from extension fees paid by other Contributors connecting to the main or mains in accordance with their hydraulic share.

5.0 SERVICE AVAILABILITY CHARGES

In addition to the foregoing fees, customer shall pay service availability charges as set forth in the Tariff based upon the estimated water demand consistent with the permitted capacity.

6.0 INSPECTIONS FEES

Engineering plans or designs for, or construction of facilities by a Contributor which are to become a part of Company's system will be subject to review and inspection by the Company. For this service, Pursuant to Rule 25-30.540(7), F.A.C., the Company may charge an inspection and plan review fee based upon the actual cost of the Company for review of plans and inspection of facilities constructed by Contributor or independent contractors for connection with the facilities of the Company. Such inspection fees shall be paid by a Contributor in addition to all other charges above stated, as a condition precedent to service.

(Continued on Sheet 18.1)

WS-16-0111

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet 18.0)

7.0 INSPECTION OF PLUMBER'S HOOK-UP

It shall be the responsibility of the Contributor, Customer, or its plumbing contractor to connect Contributor's or Customer's plumbing installation with the utility system. Company reserves the right to inspect all such connections to be assured that the same are properly made in accordance with Company's rules governing such connections, as made, is free from leakage.

HELD FOR FUTURE USE

SERVICE AVAILABILITY CHARGES

<u>Description</u>	<u>Amount</u>
<u>Meter Installation Charge</u>	
5/8" x 3/4"	\$206.00
All other meter sizes	Actual Cost
 <u>Plant Capacity Charge</u>	
Residential-per ERC (350 GPD)	\$420.00
All others per gallon	\$ 1.20

EFFECTIVE DATE – December 26, 2016

TYPE OF FILING – Staff-Assisted Rate Case

WS-16-0111

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
APPLICATION FOR WATER SERVICE.....	21.0
COPY OF CUSTOMER'S BILL.....	22.0

APPLICATION FOR WATER SERVICE

NEIGHBORHOOD UTILITIES, INC.

P.O. BOX 17635, JACKSONVILLE, FLORIDA 32216
1077 INGLESIDE AVENUE, JACKSONVILLE, FLORIDA 32205

Business and Emergency Service 737-0448

APPLICATION FOR NEW SERVICE

Date of Application _____ S/D _____

Legal Description Lot _____ Block _____

Applicant's Name _____

Address _____

.....
To Pro Rate Billing To Next Billing

	Water
_____	\$ _____
Add: Utility Deposit	_____ 39.00 _____
Public Service Tax (City of Jacksonville)	_____
TOTAL THIS APPLICATION	\$ _____

Applicant Signed By _____

\$ _____ Received By _____

Opening Meter Reading _____

RATES AND BILLING INFORMATION – Charges are Quarterly

Base Facility Charge for 3/4" x 5/8" Meter \$20.10
Gallonge Charge \$.80 per 1,000 gallons

Bills are due when rendered and if not paid within twenty (20) days, service may be discontinued after five (5) days written notice. To insure proper credit, make check payable to NEIGHBORHOOD UTILITIES, INC.

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

COPY OF CUSTOMER'S BILL

NEIGHBORHOOD UTILITIES, INC.

Date

P. O. BOX 17635 JACKSONVILLE, FLORIDA 32216

077 Ingleside Avenue, Jacksonville, Florida 32205

Emergency Service 737-0448
Business Office 737-0448

Please remit to: P.O. Box 17635 Jacksonville, FL 32216
To Assure Proper Credit - Return One (1) Copy With Check

Account Number

Service Location

Present Reading
Previous Reading
Usage
Water - ~~XXXXXX~~ Base \$
Water - ~~XXXXXX~~ Gallons
~~XXXX~~
Tax - Public Service

Total This Invoice \$

Bills are due when rendered and if not paid within twenty (20) days, service may be discontinued after five (5) days written notice. To insure proper credit make check payable to Neighborhood Utilities, Inc.

There is 10.00 charge for restoring service which has been cut-off for Non-Payment, when made during regular working hours. After regular working hours, the reconnection charge will be \$ 15.00.

W. LARRY O'STEEN
ISSUING OFFICER

PRESIDENT
TITLE

EXHIBIT M

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2020

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>673155</u>	<u>673155</u>
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>-553159</u>	<u>-534183</u>
Net Utility Plant -----		\$ <u>119996</u>	<u>138972</u>
Cash -----		<u>5927</u>	<u>3206</u>
Customer Accounts Receivable (141) -----		<u>16135</u>	<u>14823</u>
Other Assets (Specify): -----		<u>560</u>	<u>500</u>

Total Assets -----		\$ <u><u>142618</u></u>	<u><u>157501</u></u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	<u>200</u>	<u>200</u>
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		<u>21300</u>	<u>21300</u>
Retained Earnings (215) -----	F-6	<u>-116188</u>	<u>-106410</u>
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u><u>-94688</u></u>	<u><u>-84910</u></u>
Long Term Debt (224) -----	F-6	\$	
Accounts Payable (231) -----		<u>14623</u>	<u>12412</u>
Notes Payable (232) -----		<u>54709</u>	<u>65099</u>
Customer Deposits (235) -----		<u>5420</u>	<u>6709</u>
Accrued Taxes (236) -----		<u>8345</u>	<u>9492</u>
Other Liabilities (Specify) -----		<u>93654</u>	<u>80206</u>

Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>60555</u>	<u>68493</u>
Total Liabilities and Capital -----		\$ <u><u>142618</u></u>	<u><u>157501</u></u>

EXHIBIT N

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER WATER CERTIFICATE OF
AUTHORIZATION TO ANOTHER REGULATED UTILITY**

DOCKET NO. _____

**APPLICATION FOR TRANSFER OF WATER SYSTEM OF NEIGHBORHOOD
UTILITIES, INC. AND CERTIFICATE 430-W TO CSWR- FLORIDA UTILITY
OPERATING COMPANY, LLC, IN DUVAL COUNTY**

DATE OF CUSTOMER NOTICE — ____ / ____ / ____

Notice is hereby given that CSWR-Florida Utility Operating Company, LLC (“Central States Water Resources”) has filed an Application for Approval of Transfer of the Water System of Neighborhood Utilities, Inc., in Duval County, Florida, pursuant to Section 360.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code.

Central States Water Resources is not requesting a change to rates, classifications, charges, or rules and regulations; therefore, your current rates will not be affected by this transfer. The Neighborhood Utilities, Inc. water system provides service to Timber Creek, Victoria Forest, Cherokee Cove, Chaffee Pines MHP, and the surrounding community in the following described service territory in Duval County, Florida:

The following is a simplified legal description of the Utility’s service territory. For the full legal description, please contact Central States Water Resources at the contact information below.

LEGAL DESCRIPTION

A portion of Tracts 1 through 6, inclusive, Tracts 10 through 14, Block 3, and Tracts 5 through 8, inclusive, Tracts 9, 11, and 12, Block 4, Section 31, Township 2 South, Range 25 East, together with a portion of Tracts 6 and 7, Block 2, Section 6, Township 3 South, Range 25 East as shown on the plat of Jacksonville Heights, as recorded in Plat Book 5, Page 93 of the current public records of Duval County, Florida.

Common Street Names Affected by Transfer: Rothbury Drive South, Rothbury Drive, Rothbury Court, Timber Creek Lane, Timber Creek Court South, Timber Creek Court North, Bexhill Court, Logging Lane, Epon Lane, Romford Court, Blair Road, South Westmeadows Drive, Westmeadows AP, Cherokee Cove Drive, Cherokee Cove Trail, Thornbrook Drive, Arrowbrook Lane, and Chaffee Rd South

For more information concerning this notice, please contact the Utility at the address below:

Central States Water Resources
1650 Des Peres Rd., Suite 303
St. Louis, MO 63131
Office: (314) 736-4672
Fax: (314) 736-4743
Email address: regulatory@cswrgroup.com

Any objection to the application must be filed with the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later than thirty (30) days after the last date that the notice was mailed or published, whichever is later.