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March 15, 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; BFF Corp.

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 BFF Corp. A filing fee in the amount of \$750.00, as well as a Request for Confidential Classification as to Exhibit D, 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 UOC

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Application for transfer of Wastewater  
Certificate No. 318-S of BFF Corp. to CSWR- Docket No.: \_\_\_\_\_  
Florida Utility Operating Company, LLC, in  
Marion County.

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**APPLICATION FOR TRANSFER OF CERTIFICATE  
FROM 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 Wastewater Certificate No. 318-S of BFF Corp. in Marion County.

**FILING FEE**

Pursuant to rule 25-30.020(2)(c), F.A.C., the filing fee of \$750.00 will be submitted concurrently with the filing of this application.

**PART I. APPLICANT INFORMATION**

**A. Contact Information for Utility/Seller**

Utility Name: BFF Corp.  
Street Address: 1552 SW 7th Road  
Ocala, FL 34471  
Mailing Address: P.O. Box 5220  
Ocala, FL 34478-5220  
Phone Number: (352) 622-4949  
Fax Number: (352) 732-4366  
FEIN: 65-0108491  
Email address: charlie@altfo.com  
Website address: none  
Water Certificate No.: N/A  
Wastewater Certificate No.: 318-S

**B. Contact Information for Seller’s Authorized Representative**

Name: Charles deMenzes  
Mailing Address: P.O. Box 5220  
Ocala, FL 34478-5220  
Phone Number: (352) 622-4949  
Fax Number: (352) 732-4366  
Email address: charlie@altfo.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., a Missouri corporation, or its assigns." 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 Seller's Books and Records**

Name: Charles deMenzes  
Mailing Address: P.O. Box 5220  
Ocala, FL 34478-5220  
Phone Number: (352) 622-4949  
Fax Number: (352) 732-4366  
Email address: charlie@altfo.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, Charles deMenzes. 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 Purchase and Sale Agreement ("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 4.01 of the Agreement.

The purchase price for the Seller's assets is located in Section 1.02(a) of the Agreement.<sup>1</sup> 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 4.01 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 Wastewater Utility Plant Accounts page from the Seller's 2020 Annual Report to the Commission.

In addition, Article I of the Agreement generally describes the property to be acquired. Following conclusion of the Feasibility Period (as defined in Section 2.04 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.

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<sup>1</sup> The purchase price in Section 1.02(a) of the Agreement is the price for the purchase of the assets of BFF Corp., Tradewinds Utilities, Inc., and C.F.A.T. H2O, Inc. All three of these utilities are controlled by the same principal and the purchase of the assets of all three utilities are addressed in the same Purchase and Sale Agreement. Applications for the transfer of the facilities/certificates of Tradewinds Utilities, Inc. and C.F.A.T. H2O, Inc. are being filed contemporaneously with this Application.

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's 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 tariffs. The Seller has indicated that it has no customer advances, leases, debt, and/or guaranteed revenue contracts. However, if any are later identified, 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 the Seller 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 \$251 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 73,000 water and 117,000 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 additional acquisition applications in Missouri, Texas, Kentucky, Arizona, North Carolina, Louisiana, Mississippi, and Tennessee.

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 Utilities**

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 Marion County, Florida - the same territory currently served by the Seller.

##### **2. Public Interest**

Approving the proposed transfer of the systems 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 is attached as **Exhibit H**. This assessment identifies components of the system that are in need of repair or improvement and provides a breakdown of the potential costs of those improvements. As stated in the analysis memo, there is no compliance history since this system purchases treatment from Marion County.

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 systems.

### **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 Article II and Section 4.01 of the Agreement for additional information relating to title transfer.

### **5. Current Permits**

BFF Corp. does not have any permits from the Department of Environmental Protection or a water management district. Per the Seller, no DEP permit is required as it only has lift stations and there is no water management district permit since BFF Corp. is a wastewater only facility.

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

BFF Corp. does not have any DEP and/or county health department sanitary survey, compliance inspection report, or secondary water quality standards report, as it is a wastewater only facility and it purchases treatment from Marion County.

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

There is no correspondence between BFF Corp. and the DEP, county health department or the water management district within the past five years.

**8. Customer Complaints**

The Sellers advise they have not received any customer complaints regarding DEP secondary water quality standards during the past five years.

**E. Proposed Tariff**

Attached as **Exhibit J** is the Seller’s current tariff sheets containing the Seller’s current rates.

**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 from BFF Corp., Tradewinds Utilities, Inc., and C.F.A.T. H2O, Inc. (collectively, the “Sellers”) is from the 2020 Annual Reports of the utilities, with NBV calculated as Total Net Utility Plant less Total Net C.I.A.C. The net book values are shown in those reports as:

- Tradewinds Utilities, Inc. \$640,235.53 (see pages F-1(a) and F-2(b)).
  - BFF Corp. \$ 51,618.00 (see page F-4)
  - C.F.A.T. H2O, Inc. \$279,580.00 (see page F-4)
- Total \$971,433.53

The 2020 Annual Reports are attached as **Exhibit K**. Please note that 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 the Sellers’ assets, \$4,500,000, was reached through arms-length negotiations. For regulatory purposes, CSWR-Florida UOC has made the following allocation of the purchase price:

• Tradewinds Utilities, Inc. -- water system	\$1,215,000 (27% of purchase price)
• Tradewinds Utilities, Inc. -- sewer system	\$1,440,000 (32%)
• BFF Corp. -- sewer system	\$ 405,000 (9%)
• C.F.A.T. H2O, Inc. -- water system	\$ 675,000 (15%)
• C.F.A.T. H2O, Inc. -- sewer system	\$ 765,000 (17%)
Total	\$4,500,000 (100%)

The methodology used to determine these allocation amounts is a ratio of 2020 annual net operating revenue of each component to the total net operating revenue as reported on the 2020 Annual Reports to the Commission, which is as follows:

• Tradewinds Utilities, Inc. -- water system	\$184,322 (27% of total)
• Tradewinds Utilities, Inc. -- sewer system	\$220,104 (32%)
• BFF Corp. -- sewer system	\$ 62,141 (9%)
• C.F.A.T. H2O, Inc. -- water system	\$100,069 (15%)
• C.F.A.T. H2O, Inc. -- sewer system	\$114,787 (17%)
Total	\$681,423 (100%)

Applying the same annual net operating revenue percentages to the purchase price of \$4,500,000 provides the above regulatory allocations of the purchase price.

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 customers 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 the Sellers' water and wastewater systems, 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 the systems 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 Sellers, 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 systems of these sizes and the ability to supplement 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 systems. See Exhibit H.
- Assessment of the compliance history of the water and wastewater systems to identify improvements to achieve regulatory compliance and bring the systems 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 Tradewinds Utilities/BFF Corp./C.F.A.T. H2O, Inc. systems with the other CSWR systems will allow them 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.

While existing rates for utility service may reflect costs related to Sellers’ long-term debt, CSWR-Florida UOC intends to file its initial rate case as soon as practicable after the proposed transaction closes. And when new rates set in that case take effect, those rates would not include any amount for repayment of the Sellers’ long-term debt.

As Article I of the Agreement makes clear, this transaction involves only tangible assets owned by the Sellers and used to provide utility service to customers. At closing, CSWR-Florida UOC will not assume any of the Sellers’ current debt obligations. Because those obligations must be paid off at or prior to closing (in order for Seller to transfer title to its assets free of all liens and other encumbrances), the Sellers must receive sufficient funds at closing to cover both the value of the transferred assets and Sellers’ outstanding debt obligations.

Consequently, while there may be a brief period between closing and CSWR-Florida UOC’s initial rate case when a portion of current rates could be attributed to the recovery of costs related to Sellers’ long-term debt, that period would end at the conclusion of the initial rate case. At that point, rates would be based solely on CSWR-Florida UOC’s debt costs and would not reflect any amount to recover any costs related to Sellers’ long-term debt.

**Rate Base - BFF Corp.:**

Rate base was established by the Public Service Commission in 2005. See Docket No. 050540-SU and Order No. PSC-05-0956-PAA-SU. The rate schedules are in that docket in a filing made on August 8, 2005 (Document # 07630-2005).

Below is a table of the changes made to rate base subsequent to the 2005 rate case.

<b>WS NO.</b>	<b>TYPE OF CASE</b>	<b>INCREASE REQUEST</b>	<b>INCR./(DECR.) GRANTED</b>	<b>EFFECTIVE</b>
WS-06-0015	INDEX	652	652	06/04/2006
WS-07-0020	INDEX	1,026	1,026	06/02/2007
WS-08-0037	INDEX/PT	1,020	1,020	06/01/2008
WS-09-0048	INDEX	859	859	05/01/2009
WS-10-0036	INDEX	208	208	06/12/2010
WS-10-0112	P-T	4,691	4,691	01/15/2011
WS-12-0018	INDEX	945	945	06/01/2012
WS-13-0039	INDEX	717	717	06/01/2013

WS-14-0019	INDEX	591	591	06/15/2014
WS-15-0026	INDEX	788	788	06/01/2015
WS-16-0045	INDEX	539	539	06/01/2016
WS-17-0016	P-T	11,702	11,702	03/25/2017
WS-2018-0015	INDEX	633	633	04/03/2018
WS-2018-0015	PT	(5,045)	(5,045)	04/03/2018
WS-2018-0036	INDEX	874	874	06/01/2018
WS-2019-0030	INDEX	1,016	1,016	06/01/2019
WS-2020-0030	INDEX	930	930	06/01/2020
WS-2021-0064	INDEX	728	728	09/01/2021

Also, please see the Seller's current tariffs in **Exhibit J** to this application for transfer.

## **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 four other transfer application dockets presently pending before the Commission: 20210093-WS (Aquarina Utilities, Inc.); 20210095-WU (Sunshine Utilities of Central Florida, Inc.); 20210133-SU (North Peninsula Utilities Corporation); and 20220019-WU (Neighborhood Utilities, Inc.). Customers currently served by the Seller's utility 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.

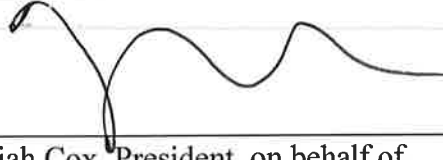
Across the affiliate group, Central States currently serves approximately 73,000 water and 117,000 wastewater customers in 9 states. As the costs of the centralized technical and operational resources of CSWR are spread over more customers, more economies of scale will be achieved.

## **G. Noticing Requirements**

Attached as **Exhibit L** 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 applicable customers and governmental entities, and will then file affidavits of noticing and publication as required.

**PART III. SIGNATURE**

APPLICATION SUBMITTED BY:



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

*08/15/22*

---

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

<b>Document Number</b>	L21000150005
<b>FEI/EIN Number</b>	38-4180174
<b>Date Filed</b>	03/31/2021
<b>Effective Date</b>	03/31/2021
<b>State</b>	FL
<b>Status</b>	ACTIVE

### Principal Address

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

### Mailing Address

13421 MANCHESTER ROAD  
SUITE 103  
ST. LOUIS, MO 63131

Changed: 02/03/2022

### Registered Agent Name & Address

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

### Authorized Person(s) Detail

#### **Name & Address**

Title MGR

CENTRAL STATES WATER RESOURCES, INC.  
1650 DES PERES RD., SUITE 303  
ST. LOUIS, MO 63131

### Annual Reports

<b>Report Year</b>	<b>Filed Date</b>
2022	02/03/2022

**Document Images**

[02/03/2022 -- ANNUAL REPORT](#)

[View image in PDF format](#)

[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**

## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** (“*Agreement*”) is made as of the 06 day of July, 2021 by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its assigns (“*Buyer*”), and TRADEWINDS UTILITIES INC, BFF CORP. and C.F.A.T. H2O, INC., all of which are Florida corporations (collectively referred to as the “*Seller*”), collectively (“*Parties*”).

### ARTICLE I ACQUISITION OF THE PROPERTY

Section 1.01 The Property. Subject to the terms and provisions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of the following described property (the “*Property*”):

(a) All immovable property, including all right, title and interest therein, described in **EXHIBIT A**, to be attached hereto prior to the conclusion of the Feasibility Period (as hereafter defined) and made a part hereof, including but not limited to any mineral and other subsurface rights, together with all buildings and improvements located thereon, and all appurtenant rights relating thereto, including, but not limited to, warranties and guaranties, access easements and other easements and rights relating thereto, access to utilities, rights of way and similar rights located on or within or relating to any of the foregoing (collectively, the “*Immovable Property*”);

(b) All movable property and intangible property used in connection with the ownership and/or operation of the Immovable Property, including, but not limited to, all such property described in **EXHIBIT B**, to be attached hereto prior to the conclusion of the Feasibility Period (as hereafter defined) and made a part hereof, however expressly excluding any and all cash, cash equivalents and banking deposits in existence prior to the Closing, any and all accounts receivable accrued prior to the Closing, and any customer deposits held by Seller (collectively, the “*Movable Property*”);

(c) All of Seller’s right, title, and interest in and to the area that the System (as defined below) services (the “*Service Area*”), as determined by Buyer and set forth in **EXHIBIT C**, to be attached hereto prior to the Closing (as hereinafter defined) and made a part hereof, including but not limited to, all real property interests such as easements, rights of way, permits and leases related to the System, and including any and all water and/or sewer facilities, equipment, lines, plants, pipes, manholes, meters, lift or pump stations and appurtenances; and

(d) All property or rights of whatever nature and kind that Seller owns which in any way is used or is useful in the operation of a water and sewer utility system located in Marion County, Florida (the “*System*”).

Section 1.02 Purchase Price.

(a) The purchase price (the “*Purchase Price*”) for the Property shall be **Four Million Five Hundred Thousand and 00/100 Dollars (\$4,500,000.00)**. The reasonable allocation of the Purchase Price between the categories in Sections 1.01(a) and 1.01(b) of the Property shall be set forth in **EXHIBIT D** prior to the Closing.

(b) The Purchase Price less any Earnest Money shall be payable in cash at Closing by wired funds and shall be paid by Buyer to Seller (to the account notified by Seller to Buyer prior to the Closing Date) on the Closing Date as defined in Section 4.01.

Section 1.03 Earnest Money. Within fifteen (15) days after the Effective Date (as defined below), Buyer shall deposit with a title company of its choice (the “*Title Company*”) the sum of **One Hundred Thousand and 00/100 Dollars (\$100,000.00)** as the earnest money under this Agreement (the “*Earnest Money*”). The Earnest Money shall be returned to Buyer or paid to Seller in accordance with the terms and conditions of this Agreement.

**ARTICLE II**  
**SURVEY AND TITLE REVIEW**

Section 2.01 Survey. Buyer shall have the right, for its own benefit, to procure one or more ALTA surveys of the Immovable Property, subject to Section 2.03 (the “*Survey*”). The Survey shall be current, staked, and shall be made on-the-ground and signed, sealed, and certified in favor of Buyer by a duly licensed surveyor selected or approved by Buyer and receipt of the Survey by Buyer prior to Closing, subject to Section 2.03, is a condition to Closing. The cost of the Survey shall be borne by the Buyer.

Section 2.02 Title Insurance. The Buyer shall, within fifteen (15) days after the Effective Date, order and must receive prior to the Closing, subject to Section 2.03, as a condition to Closing, a commitment for title insurance and complete, legible copies of all exception documents (the “*Title Commitment*”) issued by the Title Company covering the Immovable Property, binding the Title Company to issue to Buyer at Closing an owner’s policy of title insurance paid for by Buyer (the “*Title Policy*”) on the standard form of policy in the amount specified by Buyer insuring good, merchantable, and insurable fee simple title to the Immovable Property in Buyer, free and clear of all restrictions, easements, encumbrances, mortgages, liens, claims and other matters except any Permitted Exceptions as defined in Section 2.03.

Section 2.03 Buyer’s Review. Buyer shall have until the expiration of the Feasibility Period to examine the Title Commitment and the Survey, and to deliver to Seller in writing Buyer’s objections to any items contained or set forth in the Title Commitment or the Survey (the “*Unacceptable Exceptions*”). If Seller is unable or unwilling to eliminate and remove all of the Unacceptable Exceptions, then within fifteen (15) days after receipt of Buyer’s written notice, Seller shall notify Buyer in writing of its inability or unwillingness to remove the Unacceptable Exceptions (and such notice shall set forth which Unacceptable Exceptions that Seller is unable or unwilling to remove) and Buyer may terminate this Agreement by giving written notice of such election delivered to Seller. If Buyer so terminates this Agreement, the Earnest Money shall be promptly returned to Buyer, after which neither Party shall have any further rights, duties or obligations hereunder, except as expressly provided in this Agreement to the contrary. If Buyer does not so terminate this Agreement after receiving Seller’s written notice, then the Unacceptable Exceptions together with other exceptions not objected to by Buyer shall become Permitted Exceptions (the “*Permitted Exceptions*”).

Section 2.04 Feasibility Period.

(a) Seller shall allow Buyer and its agents, employees, contractors, and consultants access to the Property to conduct soil and engineering tests, inspections of equipment, personal property, lines and other components of the System and to conduct any other tests Buyer deems necessary or appropriate in its sole and absolute discretion to determine the feasibility of the Property for Buyer’s intended use (the “*Feasibility Study*”), for a period of **one hundred twenty (120) days** after the Effective Date (the “*Feasibility Period*”). Buyer shall bear all costs and expenses of its investigation and restore the Property to its condition prior to such investigation, ordinary wear and tear excepted.

(b) If Buyer finds the Property unacceptable for any reason or no reason, then Buyer, in its sole and absolute discretion, may terminate this Agreement by written notice to Seller on or before the expiration of the Feasibility Period. If Buyer so terminates this Agreement, the Title Company shall, upon demand by Buyer, promptly return the Earnest Money to Buyer and thereafter neither Party shall have any further rights, duties or obligations to the other hereunder.

(c) Seller shall deliver to Buyer within ten (10) business days after the Effective Date of this Agreement, the most recent title commitments, title policies, surveys, environmental site assessments, preliminary plats and site plans, any cross access and easement documents in connection with the Property, any development agreements affecting the Property, lease agreements affecting the Property, any customer lists for the System and any other documents Buyer may reasonably request related to the Property and/or the System.



Section 2.05 Other Termination Rights. In addition to any other rights and remedies set out herein (including but not limited to the termination rights in Sections 2.03, 2.04, 3.02(b) and 5.02), the Buyer shall have the right to terminate this Agreement as set out below:

(a) At any time up to and including the Closing Date if the regulatory bodies required to approve the sale of the System and the Property to the Buyer have not fully and unconditionally approved the sale upon the terms set out herein. In Buyer's sole and absolute discretion, Buyer may terminate this Agreement if the necessary regulatory approvals are not fully and unconditionally granted to Buyer in a form satisfactory to Buyer (as determined in Buyer's sole and absolute discretion) prior to the Closing by giving written notification of such termination to Seller, and upon such termination the Buyer shall receive a prompt return of the Earnest Money.

(b) In the event that, prior to the Closing, all or any portion of the Property is taken, condemned, expropriated, or made the subject of any eminent domain proceedings, or any of the foregoing is threatened (interchangeably, a "Taking"), Buyer may elect to either move to Closing and receive any Taking proceeds, plus an assignment of Seller's right, title, and interest thereto and claim therefor, as full satisfaction for the Taking, or Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing. If Buyer does not receive written notice of a Taking more than five (5) days prior to the Closing, the Closing Date shall be postponed to a date that is not less than five (5) days after Buyer's receipt of written notice of a Taking.

Section 2.06. Effect of Termination. Subject to Article V, upon the termination of this Agreement, the Title Company shall pay the Earnest Money to the appropriate party in accordance with the terms and conditions of this Agreement, and upon such payment being made the Parties shall have no further liability hereunder (except with respect to liabilities of Seller accruing prior to such termination and those obligations hereunder which survive the termination of this Agreement).

### **ARTICLE III** **REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 3.01 Representations, Warranties and Covenants of Seller. Seller hereby represents and warrants to Buyer that the facts recited below are true, complete and accurate as of the date hereof and will continue to be true, complete and accurate at Closing:

(a) Sellers are corporations duly formed and in good standing under the laws of the State of Florida, are qualified to conduct business in the State of Florida and have the requisite power and authority to enter into and to perform the terms of this Agreement without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties. Seller is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Seller. This Agreement constitutes, and each document and instrument contemplated hereby to be created and delivered by Seller, when executed and delivered, shall constitute the legal, valid, and binding obligation by Seller, enforceable against Seller in accordance with its respective terms (subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally).

(b) Neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby is in violation of any other agreement executed by Seller, is prohibited by, or requires Seller to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Seller, other than any regulatory approvals disclosed in writing to Buyer.

(c) Seller has and will have at Closing good, merchantable, and insurable title, in fee simple, to the Property, free and clear of all mortgages, liens, claims, or other encumbrances (except those required by the Title Company in the Title Commitment to be fully satisfied with the Purchase Price at the Closing).

(d) To be best of Seller's Knowledge there are no pending or threatened condemnation, liens, claims, other encumbrances, special assessments, or similar proceedings or charges affecting the Property or Seller by any governmental authority.

(e) Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate, or non-resident alien for purposes of US income taxation, pursuant to Section 1445 of the Internal Revenue Code.

(f) Seller has not: (i) filed any voluntary or had involuntarily filed against it in any court or with any governmental body pursuant to any statute either of the United States or of any State, a petition in bankruptcy or insolvency or seeking to effect any plan or other arrangement with creditors, or seeking the appointment of a receiver; (ii) had a receiver, conservator or liquidating agent or similar person appointed for all or a substantial portion of its assets; (iii) suffered the attachment or other judicial seizure of all, or substantially all of its assets; (iv) given notice to any person or governmental body of insolvency; or (v) made an assignment for the benefit of its creditors or taken any other similar action for the protection or benefit of its creditors. Seller is not insolvent and will not be rendered insolvent by the performance of its obligations under this Agreement.

(g) There are no leases affecting any portion of the Property except such leases disclosed to Buyer in writing by Seller and there are no options, rights of first refusal or contracts granting any rights to acquire any right, title or interest in any portion of the Property, except as listed in the Title Commitment, if any.

(h) Seller has not received any notice of any violation of any ordinance, regulation, law or statute of any government agency or instrumentality pertaining to the Property and/or the System or any portion thereof which has not been complied with in all respects.

(i) There is no action, suit, proceeding or claim affecting Seller, the Property and/or the System, relating to or arising out of any lease, option or contract affecting the Property or the System, or the ownership, operation, use or occupancy of the Property or the System, pending or being prosecuted in any court or by or before any agency or other governmental instrumentality nor, to the best of Seller's Knowledge, has any such action, suit, proceeding or claim been threatened or asserted. There is no proceeding pending or presently being prosecuted in connection with the assessed valuation or taxes of other impositions payable in respect of any portion of the Property.

(j) No work has been performed or is in progress at, and no materials have been furnished to, the Property which might give rise to mechanic's, materialman's or other liens against the Property.

(k) The Property currently has or will have at Seller's sole cost and expense prior to the Closing cross access and easements rights and benefits providing pedestrian and vehicular access to and from the Property and all components within the System necessary to operate the same.

(l) The buildings and improvements, if any, that constitute part of the Immovable Property are structurally sound and there are no defects known to Seller that have not been disclosed to the Buyer in writing by Seller.

(m) To the best of Seller's Knowledge, there are no pending or contemplated zoning changes, variances, special zoning exceptions, conditions or agreements affecting, or potentially affecting the Property or any part thereof.

(n) Except as has been disclosed to Buyer in writing by Seller, the Property complies with all applicable laws of all governmental or quasi-governmental authorities having jurisdiction over, against or affecting the Property. Seller has not received written notice of any, and there are no violations of any laws, similar rules and regulations relating and/or applicable to the ownership, use and operation of the Property as it is now operated, and/or other licenses or permits, which remain uncured. All governmental or quasi-governmental occupancy and use permits, licenses, consents, approvals, permits, authorizations, certificates, and other requirements of the authorities necessary or required for the continued use and operation of the System and/or the Property for the purposes for which the same are intended (collectively, "Approvals"), if any, have been unconditionally and finally issued and paid for and are in full force and effect in accordance with the respective terms thereof. All work or conditions required to be performed or fulfilled pursuant to the Approvals (on or off-site) have been fully performed in accordance with the requirements thereof and the Property fully complies with the Approvals.

(o) To the best of Seller's Knowledge, there is no fact or condition which materially and adversely affects the business, operations, affairs, properties or condition of Seller or the Property, which has not been set forth

in this Agreement or in the other documents, certificates or written statements furnished to Buyer in connection with the transactions contemplated hereby.

(p) To the best of Seller's Knowledge, no representation or warranty made by Seller in this Agreement, in any Exhibit attached hereto, or in any letter or certificate furnished to Buyer pursuant to the terms hereof, each of which is incorporated herein by reference and made a part hereof, contains any untrue statement of a fact or omits to state a fact necessary to make the statements contained herein or therein not misleading.

(q) Environmental Matters.

(i) Except as disclosed on the attached **EXHIBIT E**, to be attached hereto at least thirty (30) days prior to the conclusion of the Feasibility Period and made a part hereof, to the best of Seller's Knowledge, the Property is currently and has been in compliance with all Environmental Laws (as defined below) and Seller has not received any: (i) Environmental Notice (as defined below) or Environmental Claim (as defined below); or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing.

(ii) Except as disclosed on the attached **EXHIBIT F**, to be attached hereto at least thirty (30) days prior to the conclusion of the Feasibility Period and made a part hereof, to the best of Seller's Knowledge, Seller has obtained and is in material compliance with all Environmental Permits (as defined below) (each of which is disclosed on **EXHIBIT F**) necessary for operating the System or use of the Property and all such Environmental Permits are in full force and effect and shall be maintained in full force and effect by Seller through the Closing in accordance with Environmental Law, and Seller is not aware of any condition, event or circumstance that might prevent or impede, after the Closing, the operation of the System as currently conducted or the ownership, lease, operation or use of the Property. With respect to any such Environmental Permits, Seller has undertaken, or will undertake prior to the Closing, all measures necessary to facilitate transferability of the same, and Seller is not aware of any condition, event or circumstance that might prevent or impede the transferability of the same and has not received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of the same.

(iii) None of the Property is listed on, or to the best of Seller's Knowledge, has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA (as defined below), or any similar state list.

(iv) To the best of Seller's Knowledge, there has been no Release of Hazardous Materials (as defined below) in contravention of Environmental Law with respect to the Property or any real property currently or formerly owned, leased or operated by Seller in connection with the System, and Seller has not received an Environmental Notice that any of the Property or real property currently or formerly owned, leased or operated by Seller in connection with the System (including soils, groundwater, surface water, buildings and other structure located thereon) has been contaminated with any Hazardous Material which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, Seller.

(v) To the best of Seller's Knowledge, no underground storage tanks are located on the Immovable Property and no construction debris has been buried on or under the Immovable Property.

(vi) **EXHIBIT G**, to be attached hereto at least thirty (30) days prior to the conclusion of the Feasibility Period and made a part hereof, contains a complete and accurate list of all off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by Seller and, to the best of Seller's Knowledge, any predecessors in connection with the System or the Property as to which Seller may retain liability, and none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA, or any similar state list, and Seller has not received any Environmental Notice regarding potential liabilities with respect to such off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by Seller.

(vii) Seller has not retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(viii) Seller has provided or otherwise made available to Buyer, within thirty (30) days of the Effective Date, and listed in **EXHIBIT H**, to be attached hereto within thirty (30) days of the Effective Date and made a part hereof: (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Property or any real property currently or formerly owned, leased or operated by Seller in connection with the System which are in the possession or control of Seller related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including, without limitation, costs of remediation, pollution control equipment and operational changes).

(ix) Seller is not aware of nor reasonably anticipates, as of the Closing, any condition, event or circumstance concerning the Release or regulation of Hazardous Materials that might, after the Closing, prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the System and Property as currently carried out.

### Section 3.02 Covenants of Seller.

(a) Seller will own, operate, use and manage the System and the Property only in the ordinary course of business consistent with past practice and in any event will ensure that, any provisions of this Agreement to the contrary notwithstanding, (i) the physical and environmental condition of the Property is the same at the time of the Closing as it is as of the Effective Date, only ordinary wear and tear as to the physical condition excepted, and (ii) Seller's title to the Immovable Property and the survey condition of the Immovable Property is the same at the time of the Closing as it is as of the Effective Date, only improvements to the title condition or survey condition performed or undertaken by Seller to address Unacceptable Exceptions excepted.

(b) Seller shall maintain current hazard insurance in force on the Property until the Closing Date. The risk of loss to the Property shall not pass to Buyer unless and until delivery of possession of the Property is delivered to Buyer. If an event of casualty occurs to the Property prior to Closing, the Buyer may elect to either move to Closing and accept any insurance proceeds and deductible, plus an assignment of all of Seller's right, title, and interest in and to any and all insurance claims, as full satisfaction for the damage to the Property 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, but if Buyer does not receive written notice of such casualty more than five (5) days prior to the Closing, the Closing Date shall be postponed to a date that is not less than five (5) days after Buyer's receipt of written notice of such casualty.

(c) Seller agrees to execute any documents required by the controlling governing authority to replat or rezone the Property.

(d) 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.

### Section 3.03. Certain Definitions.

The following definitions apply in this Agreement:

(a) "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

(b) “*Environmental Claim*” means any action, governmental order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release (as defined below) of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

(c) “*Environmental Notice*” means any applicable law, and any governmental order or binding agreement with any governmental authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials.

(d) “*Environmental Laws*” means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit. The term “*Environmental Laws*” includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

(e) “*Environmental Permits*” means any permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

(f) “*Hazardous Materials*” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

(g) “*Knowledge*” or “*Seller’s Knowledge*” means the actual knowledge of Seller and each of Seller’s Representatives; in each case, after due inquiry.

(h) “*Release*” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

(i) “*Representatives*” in relation to a person means such person’s managers, shareholders, members, officers, directors, employees, agents, advisors, affiliates, successors, and permitted assigns and for the avoidance of doubt the Representatives of Seller.

Section 3.04 Indemnification. From and after the Closing, Seller shall defend, hold harmless and indemnify the Buyer and/or Buyer’s Representatives (as defined below) (collectively, “*Indemnified Party*”) from and against any and all losses, damages, diminutions in value, liabilities, deficiencies, claims, actions, judgements, settlements, interest, awards, penalties, fines, costs, or expenses of any kind, including professional fees and attorneys’ fees, that are suffered or incurred by the Indemnified Party or to which the Indemnified Party may otherwise become

subject to at any time (collectively, “Losses”) arising out of or as a result of: (i) any inaccuracy in or breach of any representation, warranty and/or covenant made by Seller in this Agreement; (ii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement; (iii) any actual or alleged liability of Seller and/or Seller’s Representatives, or any actual or alleged liability of Buyer that derives from any such liability of Seller and/or Seller’s Representatives, whether such liability arises before or after the Closing; and (d) any claim by a third party based upon, resulting from or arising out of (A) the business, operations, properties, assets or obligations of Seller conducted, existing or arising on or prior to the Closing; (B) any inaccuracy in or breach of any representation or warranty made by Seller in this Agreement, or any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement; (C) any negligent or more culpable act or omission of Seller or its Representatives (including any reckless or willful misconduct) in connection with the performance of its obligations under this Agreement; or (D) any failure by Seller or its Representatives to comply with any applicable federal, state or local laws, regulations or codes in the performance of its obligations under this Agreement. Notwithstanding anything to the contrary in this Agreement, Seller is not obligated to indemnify, hold harmless, or defend Indemnified Party against any claim (whether direct or indirect) if such claim or corresponding Losses arise out of or result from Indemnified Party’s gross negligence or more culpable act or omission (including recklessness or willful misconduct).

Section 3.05      Representations, Warranties and Covenants of Buyer.

Buyer hereby represents and warrants to Seller that the facts recited below are true, complete and accurate as of the date hereof and will continue to be true, complete and accurate at the Closing:

(a) Buyer is a corporation duly formed and in good standing under the laws of the State of Missouri, is qualified to conduct business in the State of Missouri and has the requisite power and authority to enter into and to perform the terms of this Agreement without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties. Buyer is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Buyer. This Agreement constitutes, and each document and instrument contemplated hereby to be created and delivered by Buyer, when executed and delivered, shall constitute the legal, valid, and binding obligation by Buyer, enforceable against Buyer in accordance with its respective terms (subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors’ rights generally).

(b) Neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby is in violation of any other agreement executed by Buyer, is prohibited by, or requires Buyer to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Buyer, other than any regulatory approvals disclosed in writing to Seller.

**ARTICLE IV**  
**CLOSING**

Section 4.01      Closing.

(a) Subject to the terms and conditions of this Agreement, the Closing of the purchase and sale of the Property pursuant to this Agreement (the “Closing”) shall take place at the Title Company forty-five (45) days after the later of the expiration of the Feasibility Period and the approval by any regulatory bodies in a form satisfactory to Buyer as set forth in more detail in Section 2.05(a), or (i) such earlier date as is elected by Buyer by giving not less than three (3) days prior notice to Seller, or (ii) such later date as agreed in writing by Seller and Buyer (the “Closing Date”).

(b) At the Closing, Seller shall deliver to Buyer the following:

(i) A certificate of good standing for Seller plus the requisite duly executed corporate approvals for the sale;

(ii) A general warranty deed in executed form, conveying good, merchantable, and insurable title in fee simple to all of the Immovable Property, free and clear of any and all mortgages, liens, encumbrances, claims, conditions, easements, assessments, and restrictions, except for the Permitted Exceptions, if any;

(iii) A duly executed bill of sale, conveying all of the Movable Property described in **EXHIBIT B**, free and clear of any and all mortgages, liens, claims, restrictions, and encumbrances;

(iv) A duly executed termination of lease, terminating any existing lease agreements encumbering or relating to the Property;

(v) A duly executed assignment of any interest in any other Property used and/or useful in the operation of the System that is owned by Seller;

(vi) Such other instruments and documents that are customarily executed by a seller of immovable property in the county in which the Property is located, including, but not limited to, resolutions or unanimous written consents of the Board of Directors of Seller, and if required the shareholders of Seller, to authorize the sale of the Property to Buyer pursuant to this Agreement;

(vii) Tax statements for calendar year of the Closing;

(viii) Possession of the Property;

(ix) If requested by Buyer, and to the extent assignable, duly executed, conveyances and assignments to Buyer of any and all consents, authorizations, variances, waivers, licenses, permits, and approvals from any federal, state, county, municipal, or other governmental or quasi-governmental agency, department, board, commission, bureau, or other entity or instrumentality relating to the Property, including, without limitation, those relating to environmental, foundation, use, utilities, building, fire, traffic, and zoning heretofore or hereafter held by or granted to Seller (collectively, the “*Approvals*”). No additional consideration shall be due by Buyer for the Approvals, it being understood and agreed by Seller that the Purchase Price covers the Property, the Approvals, and the Claims (as hereinafter defined); and

(x) If requested by Buyer, duly executed assignments to Buyer, with full substitution and subrogation, of any and all claims, actions, rights, causes of action, rights of action, and warranties, whether arising in contract, tort, or otherwise, including, but not limited to, environmental claims, actions, rights, causes of action, rights of action, and warranties, that Seller has or may have against any and all persons and entities as a result of any apparent or non-apparent damage to, destruction of, or diminution in value of the Property, or any part thereof, occurring prior to the Closing (collectively, the “*Claims*”). No additional consideration shall be due by Buyer for the Claims, it being understood and agreed by Seller that the Purchase Price covers the Property, the Approvals, and the Claims.

(c) At the Closing, Buyer shall deliver to Seller the following:

(i) The Purchase Price; and

(ii) Such other instruments and documents that are customarily executed by a buyer of immovable property in the county in which the Property is located.

Section 4.02 Closing Costs and Prorations. Buyer and Seller hereby covenant and agree that:

(a) Seller shall pay the costs of any roll back taxes, one-half (1/2) of the escrow fee charged by the Title Company, and Seller’s attorneys’ fees and expenses. Seller shall also pay all fees, costs, and expenses for title curative work and any other work that Seller agrees to perform or undertake in order to address any Unacceptable Exceptions and/or to otherwise enable Seller to sell and deliver to Buyer good, merchantable, and insurable fee simple title to the Property as required by this Agreement.

(b) Buyer shall pay all remaining title fees charged by the Title Company, recording fees, and Buyer's attorneys' fees.

(c) All ad valorem real estate taxes and assessments levied or assessed against the Property shall be prorated according to the calendar year as of the Closing Date, based on the most recent tax bill and assessments levied for the same.

## **ARTICLE V**

### **DEFAULTS AND REMEDIES**

#### Section 5.01 Buyer's Default and Seller's Remedies.

(a) Buyer's Default. Buyer shall be in default under this Agreement if and only if any and all conditions to be satisfied under the terms of this Agreement prior to the Closing have been satisfied (or duly waived) and Buyer fails or refuses to perform Buyer's obligations at the Closing for any reason other than a default by Seller. For the avoidance of doubt, a termination under Section 2.04 will not constitute an event of default by Buyer.

(b) Seller's Remedies. If Buyer is in default under this Agreement, the sole and exclusive remedy of Seller, shall be receipt of the Earnest Money. Buyer and Seller agree that in such case the Earnest Money shall be liquidated or stipulated damages under Florida law for a breach or default by Buyer under this Agreement and/or any other actions or claims that could arise out of or are related to this Agreement because of the difficulty, inconvenience, and uncertainty of ascertaining actual damages for such default. Therefore, in no event shall Buyer be liable for or Seller be entitled to any actual damages or any other type of damages or remedy under any action or claim that could arise out of or that could any way relate to this Agreement other than the right to receive the stipulated amount of the Earnest Money as full satisfaction of Seller's claims.

#### Section 5.02 Seller's Defaults and Buyer's Remedies.

(a) Seller's Defaults. Seller shall be in default under this Agreement on the occurrence of any of one or more of the following events:

- (i) Any breach of a representation or warranty made by Seller in this Agreement or failure of any such representation or warranty to be true, accurate and complete; or
- (ii) Any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement.

(b) Buyer's Remedies. If Seller defaults under this Agreement (whether before or after the Closing or before termination or after termination in relation to provision that survive termination) Buyer may:

- (i) If such default is identified prior to the Closing, terminate this Agreement by written notice to Seller and Title Company, in which event the Title Company shall promptly refund the Earnest Money to Buyer;
- (ii) Enforce specific performance of this Agreement against Seller; and/or
- (iii) Pursue such other remedies as may be available at law or in equity, including a suit for any damages and the right to recover attorneys' fees and costs.

Section 5.03 Attorneys' Fees. If either party defaults under this Agreement, and the non-defaulting party employs an attorney to enforce the terms hereof, such non-defaulting party shall be entitled to reasonable attorneys' fees and costs from the defaulting party.

Section 5.04 Survival. The provisions of this Section 5 and of Article III, Article VI, Article VII shall survive the termination of this Agreement. The provisions of Article III shall survive the Closing for a period of five



(5) years, except that the representations and warranties in Sections 3.01(a), (b), and (c), and Section 3.04 shall survive indefinitely. All other provisions of this Agreement shall survive Closing unless otherwise expressly stated.

**ARTICLE VI**  
**COMMISSIONS**

Section 6.01 Commission. No commissions are due and/or owing for the procurement of this Agreement to any third parties. Seller shall defend, indemnify, and hold harmless Buyer from and against any and all claims by any person or entity for brokerage fees, brokerage commissions, finder's or other fees, which shall include, but shall not be limited to, any and all court costs, attorneys' fees and other costs and expenses relating thereto, alleged to be due to any broker and/or agent with whom Seller has dealt in connection with this Agreement or the sale of the Property to Buyer, and Buyer shall defend, indemnify, and hold harmless Seller from and against any and all claims by any person or entity for brokerage fees, brokerage commissions, finder's or other fees, which shall include, but shall not be limited to, any and all court costs, attorneys' fees and other costs and expenses relating thereto, alleged to be due to any broker and/or agent with whom Buyer has dealt in connection with this Agreement or the purchase of the Property by Buyer.

**ARTICLE VII**  
**MISCELLANEOUS PROVISIONS**

Section 7.01 Effective Date of Agreement. The term "Effective Date" as used herein shall mean the date this Agreement has been fully executed by Seller and Buyer, as indicated by their signatures below, and a signed copy thereof is delivered to and acknowledged by the Title Company.

Section 7.02 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective when sent to the address or telecopy number of the party to receive such notice set forth below if effected by telecopy, e-mail or other electronic transmission, hand delivery, by Federal Express or other reputable courier service, or when deposited in any post office or mail receptacle regularly maintained by the United States Government, certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to Buyer:	Josiah M. Cox, President Central States Water Resources, Inc. 1650 Des Peres Road, Suite 303 St. Louis, MO 63131
with a copy to:	James A. Beckemeier Beckemeier LeMoine Law 13421 Manchester Rd., Suite 103 Saint Louis, Missouri 63131 Phone: (314) 965-2277 Facsimile: (314) 965-0127 E-mail: jim@bl-stl.com
If to Seller:	Charles deMenzes, President 12601 SE Sunset Harbor Rd Weirsdale, FL 32195 Attention: Phone: <u>352-843-7790</u> Facsimile: <u>352-732-4366</u> E-Mail: <u>charlie@altfo.com</u>

with a copy to:

Deborah Dillon  
PO Box 4230  
Ocala, FL 34478-4230  
Attention: \_\_\_\_\_  
Phone: 352-208-4021 \_\_\_\_\_  
Facsimile: 352-732-4366 \_\_\_\_\_  
E-Mail: debbie@alternativephone.com

Section 7.03 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND ALL PROCEEDINGS OR OBLIGATIONS HEREUNDER SHALL BE MADE AND ARE PERFORMABLE IN MARION COUNTY, FLORIDA.

Section 7.04 Successors and Assigns. This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the Parties hereto and their respective heirs, administrators, successors and assigns. Buyer shall have the right to assign this Agreement to another entity or affiliate by providing written notice to Seller of such assignment. However, Seller shall not have the right to assign this Agreement without the written consent of the Buyer.

Section 7.05 Counterparts and Amendments. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument. This Agreement may only be amended by a written document signed by each of the Parties hereto, which document shall make specific reference to this Agreement.

Section 7.06 Time. Time is of the essence in the performance of each term, condition, and covenant contained in this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act. If any date for performance of any term, condition or provision hereof shall fall on a Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day.

Section 7.07 Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but shall be enforced to the greatest extent permitted by law.

Section 7.08 Entire Agreement. Buyer and Seller each acknowledges and agrees that at all times each have intended that none of the preliminary negotiations concerning this Agreement would be binding on any party. This Agreement and the Exhibits attached hereto prior to the Closing Date contain all the covenants, conditions, agreements and understandings between the Parties and shall supersede all prior covenants, conditions, agreements, letters of intent, term sheets, and understandings between Seller and Buyer with respect to the purchase and sale of the Property and all other matters contained in this Agreement.

Section 7.09 Final Exhibits. The legal description of the Immovable Property contained in the Survey shall be substituted for the legal description of the Immovable Property used in **EXHIBIT A** as of the date hereof without the necessity of the Parties executing any additional amendments to this Agreement. **EXHIBIT C** shall be included as part of this Agreement when, and in the form, notified to Seller by Buyer in writing. **EXHIBIT D** shall be included as part of this Agreement if and when it is in the form, agreed by Seller and Buyer in writing prior to Closing. With regard to **EXHIBITS E, F, and G**, in the event Seller fails to provide a list of all relevant information for the respective Exhibit at least thirty (30) days prior to the end of the Feasibility Period, Buyer will assume there is no such relevant information and the respective Exhibit will be marked "None."

Section 7.10 Buyer Exchange. Seller and Buyer agree to cooperate should the other elect to purchase the Property or other real property as part of a like-kind exchange under IRC section 1031. Any contemplated exchange shall not impose upon the cooperating party any additional liability or financial obligation, and Buyer or

Seller, as appropriate agrees to hold the other harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon either party's ability to acquire a suitable exchange property or effectuate an exchange. In the event any exchange contemplated by Buyer or Seller should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

Section 7.11 Rollback Taxes, Standby Fees and Special Assessments. If this sale results in the assessment after Closing of additional taxes, standby fees or special assessments for periods of Seller's ownership (including taxes assessed as a result of a change in ownership or usage), the additional taxes, fees or assessments plus any penalties and interest shall be paid by Seller to Buyer within fifteen (15) days of receipt by Buyer of a statement for such taxes, fees or assessments.

Section 7.12 Ambiguities Not to Be Construed against Party Who Drafted Agreement. The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this Agreement.

Section 7.13 No Special Relationship. The Parties' relationship is an ordinary commercial relationship of seller and buyer, and they do not intend to create and have not created the relationship of principal and agent, partnership, joint venture, or any other special relationship.

Section 7.14 Confidentiality. The Parties will 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 investigate the Property or either party to close this transaction.

Section 7.15 Business Day. As used in this Agreement, the term "business day" means Monday through Friday of each week, except for days on which banks in Marion County, Florida are closed for business. If the final date of any period which is set out any section of this Agreement falls upon a day which is not a business day, then, and in such event, the time of such period will be extended to the next business day.

Section 7.16 Further Assurances. From the date hereof, Seller and Buyer each agrees to do such things, perform such acts and make, execute, acknowledge and deliver such documents as may be reasonably necessary and customary to complete the transactions contemplated by this Agreement. In particular, Seller and Buyer each agrees to do such things as may be reasonably necessary with respect to the transfer of the Property.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed under proper authority and effective and binding as of the date first set above.

**BUYER:**

CENTRAL STATES WATER RESOURCES, INC.,  
a Missouri corporation

By:   
By: Josiah Cox (Jul 6, 2021 13:11 MDT)  
Josiah M. Cox, President

**SELLER:**

TRADEWINDS UTILITIES, INC.

By: *Charles deMenzes*

Name: Charles deMenzes

Title: President

BFF CORP.

By: *Charles deMenzes*

Name: Charles deMenzes\_\_\_\_\_

Title: President

C.F.A.T. H2O INC.

By: *Charles deMenzes*

Name: Charles deMenzes\_\_\_\_\_

Title: President

**RECEIPT OF EARNEST MONEY**

The undersigned Title Company hereby acknowledges its receipt of an executed copy of this Agreement and, the Earnest Money provided herein and, further, agrees to comply with and be bound by the terms and provisions of this Agreement, without demand, including, without limitation, those terms relating to the disposition of the Earnest Money.

\_\_\_\_\_  
Name of Title Company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

Description of the Immovable Property

(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 INSERTED PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD]**

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

All interests in land used or useful in operation of the Sewer and/or Water System that services the area set forth on **EXHIBIT C**, including but not limited to easements, rights of way and permits, and including the real property described in Commitment File No. **[FILE NUMBER]**, issued by **[TITLE COMPANY]**, as agent for **[UNDERWRITER]**.

Tradewinds Utilities, Inc.

Parcel ID

<a href="#">15848-001-00</a>	TRADEWINDS UTILITIES INC	Water Tower	<a href="#">Beta Map It+</a> 0869 9001 10.25 Acres
<a href="#">15845-000-02</a>	TRADEWINDS UTILITIES INC	2925 NE 43rd PL	<a href="#">Beta Map It+</a> 1585 9001 2.00 Acres
<a href="#">15845-007-06</a>	TRADEWINDS UTILITIES INC	2925 NE 43rd PI	<a href="#">Beta Map It+</a> 1585 9001 0.25 Acre

CFAT H2o, Inc.

<a href="#">14503-000-15</a>	C F A T H2O INC		<a href="#">Beta Map It+</a> 4654 9001 0.06 Acre
<a href="#">14503-000-03</a>	C F A T H2O INC	7721 NE 22ND TER	<a href="#">Beta Map It+</a> 0874 9001 1.81 Acres
<a href="#">14503-000-05</a>	C F A T H2O INC	Spray Field	<a href="#">Beta Map It+</a> 0874 9001 5.00 Acres
<a href="#">14503-000-06</a>	C F A T H2O INC	7701 NE 22ND TER	<a href="#">Beta Map It+</a> 0874 9001 0.70 Acre
<a href="#">880838</a>	C F A T H2O INC	1 TRACTS E,F,G LANDFAIR UNIT	<a href="#">Beta Map It+</a> 0000 9001 0.00

BFF Corp

<a href="#">810909</a>	BFF CORP	840 NW 47TH ST	<a href="#">Beta Map It+</a> 0000 9002 0.00
<a href="#">12675-000-01</a>	BFF CORP INC		<a href="#">Beta Map It+</a> 0191 9002 0.08 Acre

**EXHIBIT B**

Description of the Movable Property  
(tools, devices, equipment, furniture, fixtures, machinery, supplies, and other tangible items)

**[TO BE PROVIDED BY SELLER PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD]**

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 Sewer System that services the area set forth on **EXHIBIT C**, including but not limited to, the sewer lines, pipes, lagoon(s), treatment plant(s), pump/lift station(s), tanks, meters, valves, and any other appurtenances of the Sewer System, and all machinery, equipment, supplies and other tangible items used in connection with the Sewer System; AND All personal property comprising the Water System that services the area set forth on **EXHIBIT C**, 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.

<b>Additional Personal Property</b>

**EXHIBIT C**

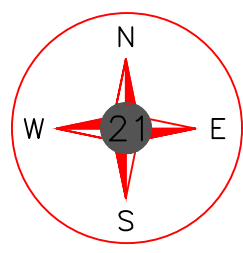
Service Area Map

(area in which the System service lines, plant, pipes, manholes, meters, lift or pump stations and appurtenances, utility facilities, etc. are located)

**[SERVICE AREA MAP & LEGAL DESCRIPTION TO BE INSERTED PRIOR TO CLOSING]**



**ROUGH SERVICE AREA MAP (v1)  
BFF CORP  
(PURCHASED WASTEWATER)  
MARION, FL**



SITE 1  
LIFT STATION  
FEE SIMPLE  
OWNER: BFF CORP INC  
ADDRESS: 4870 NW 83RD TER  
PARCEL ID: 12675-000-01

POTENTIAL ACCESS (SURVEYOR TO VERIFY)  
OWNERS: BERT HESTAND  
LAWRENCE E ALBRITTON  
NEAR ADDRESS: 4870 NW 83RD TER  
PARCEL ID'S: 12675-000-00  
12675-002-07

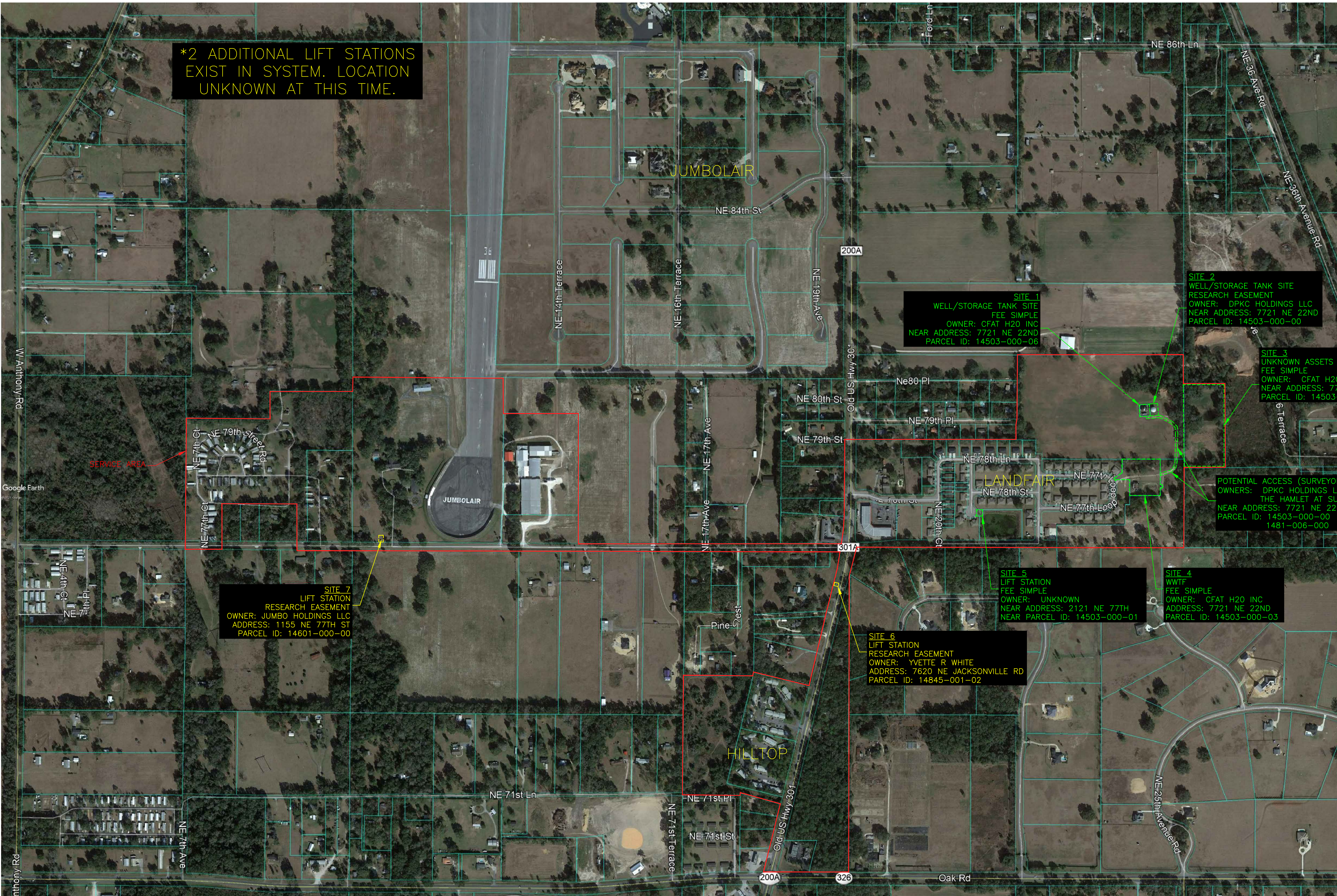
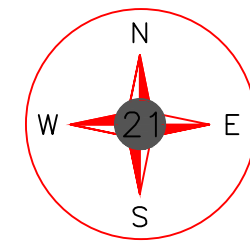
**Utility Note Disclaimer:**  
The utilities shown hereon are depicted based on the description provided by the system manager. 21 Design Group, Inc performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location 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:	07/08/21
PROJECT NO:	0633-20
DRAWN BY:	B.J.K.
SCALE:	
SHEET NAME:	SERVICE AREA MAP



1351 Jefferson, Suite 301  
Washington, MO 63090  
mail@21designgroup.net  
P: 636-432-5029

**ROUGH SERVICE AREA MAP (v2)**  
**CFAT H2O INC.**  
**(WATER & WASTEWATER)**  
**MARION, FL**



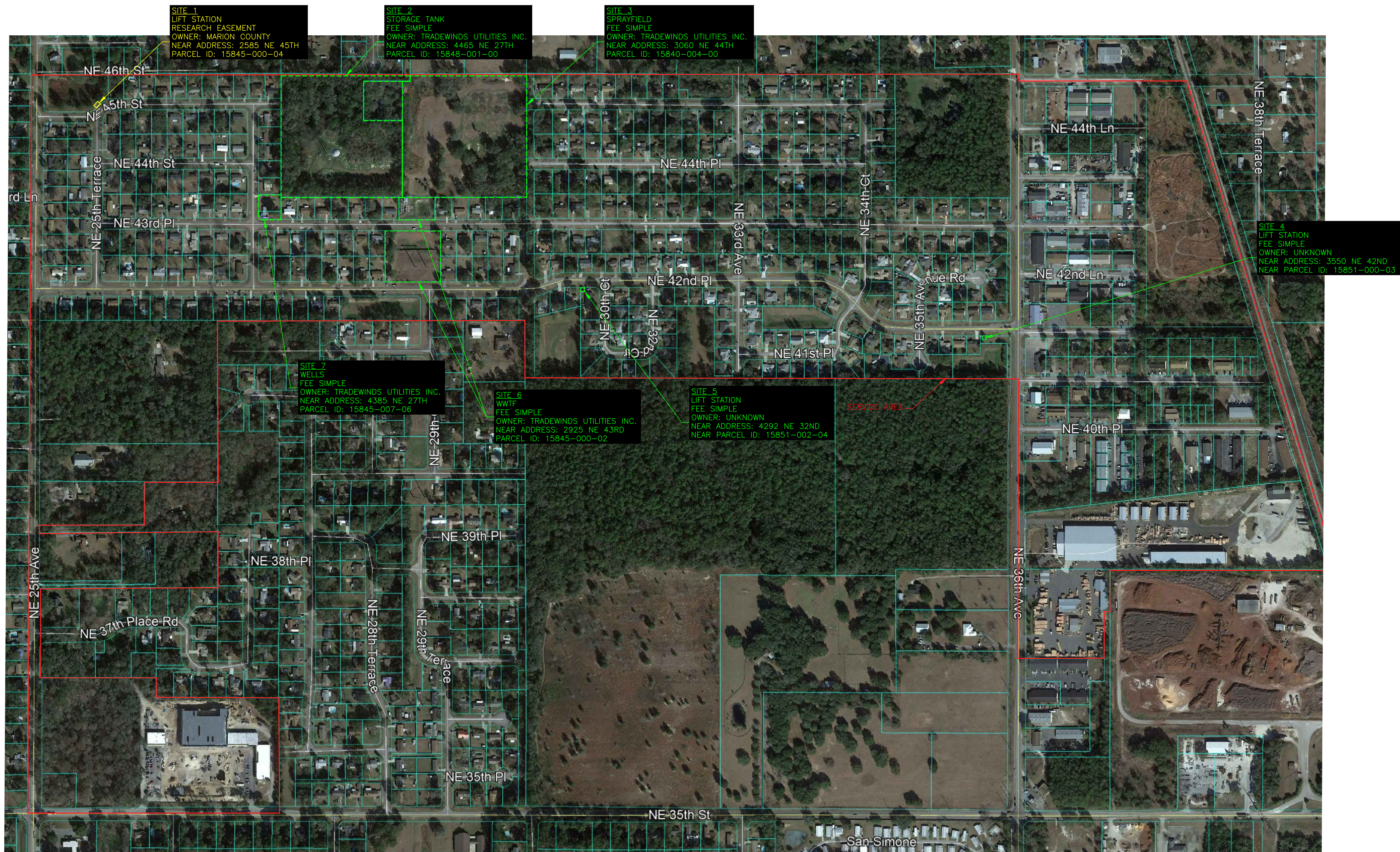
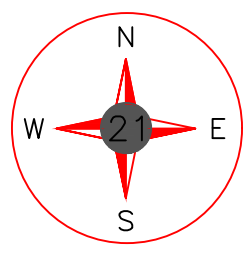
**Utility Note Disclaimer:**

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:	7/28/21
PROJECT NO:	0633-20
DRAWN BY:	B.J.K.
SCALE:	
SHEET NAME:	
SERVICE AREA MAP	



**ROUGH SERVICE AREA MAP (v2)  
TRADEWINDS UTILITIES INC.  
(WATER & WASTEWATER)  
MARION, FL**



**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:	07/28/21
PROJECT NO:	0633-20
DRAWN BY:	B.J.K.
SCALE:	
SHEET NAME:	SERVICE AREA MAP



1351 Jefferson, Suite 301  
Washington, MO 63090  
mail@21designgroup.net  
P: 636-432-5029

**EXHIBIT D**

[Purchase Price Allocation]

**[TO BE INSERTED PRIOR TO CLOSING]**

**EXHIBIT E**

[Environmental Non-Compliance]

**[TO BE PROVIDED BY SELLER THIRTY (30) DAYS PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD; IF NOT PROVIDED DURING THIS PERIOD, ASSUMED TO BE “NONE”]**

**EXHIBIT F**

[List of Permits and Non-Compliance with Permits]

**[TO BE PROVIDED BY SELLER THIRTY (30) DAYS PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD; IF NOT PROVIDED DURING THIS PERIOD, NON-COMPLIANCE WILL BE ASSUMED TO BE "NONE"]**

**EXHIBIT G**

[Off-site Hazardous Materials Locations]

**[TO BE PROVIDED BY SELLER THIRTY (30) DAYS PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD; IF NOT PROVIDED DURING THIS PERIOD, ASSUMED TO BE “NONE”]**

**EXHIBIT H**

[Reports, Studies, Audits, Records, Data, Site Assessment, Economic Models, etc.]

**[TO BE PROVIDED BY SELLER WITHIN THIRTY (30) DAYS OF THE EFFECTIVE DATE; IF NOT PROVIDED DURING THIS PERIOD, ASSUMED TO BE “NONE”]**



# **EXHIBIT C**

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
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WASTEWATER UTILITY PLANT ACCOUNTS

ACCT NO. (a)	ACCOUNT DESCRIPTION (b)	PREVIOUS YEAR ©	ADDITIONS (d)	DELETIONS (e)	CURRENT YEAR (f)
350	UNAMORTIZED DEBT DISCOUNT	-			-
351	ORGANIZATION	2,411			2,411
352	FRANCHISES	-			-
353	LAND AND LAND RIGHTS	1,579			1,579
354	STRUCTURES & IMPROVEMENTS	8,240			8,240
360	FORCE MAIN COLLECTION LINES	117,528			117,528
361	GRAVITY FEED COLLECTION LINES	77,795			77,795
362	SPECIAL COLLECTION STRUCTURES	18,168			18,168
363	SERVICES	6,219			6,219
365	FLOW MEASURING DEVICE	383	7,150		7,533
370	RECEIVING WELLS (MANHOLES & LIFT STATIONS)	32,298			32,298
380	TREATMENT & DISPOSAL EQUIP	-			-
382	OUTFALL SEWER LINES	-			-
389	OTHER PLANT & MISC EQUIPMENT				
398	PSC ADJUSTMENT				
	TOTALS	264,621	7,150	-	271,771

# **EXHIBIT D**

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# 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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AUDIT | TAX | CONSULTING

**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

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**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		
<b>Total Assets</b>	\$	
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		
<b>Total Liabilities and Member's Equity</b>	\$	

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

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	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Capital Contributions			\$
Net Loss			\$
<b>Balance at December 31, 2019</b>			\$
Capital Contributions			\$
Net Loss			\$
<b>Balance at December 31, 2020</b>	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

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>
<b>Cash Flows from Operating Activities</b>		
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		
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment		
Acquisition of preliminary survey and investigation		
Net cash used in Investing Activities		
<b>Cash Flows from Financing Activities</b>		
Payments on notes payable		
Contributions for construction		
Capital contributions		
Net cash provided by Financing Activities		
Net Increase in Cash		
Cash, Beginning of Period		
<b>Cash, End of Period</b>	<b>\$</b>	

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").

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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:

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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

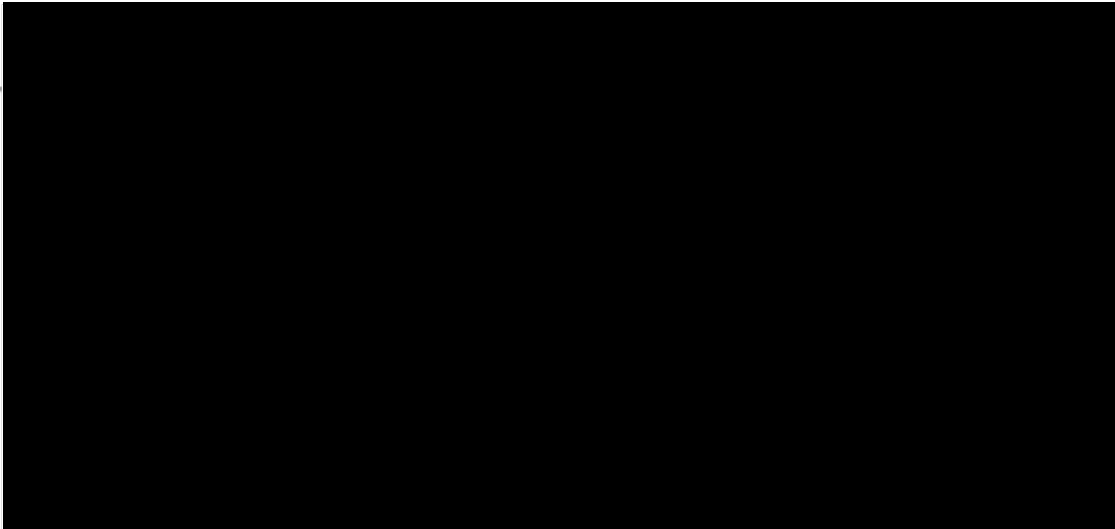


**NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

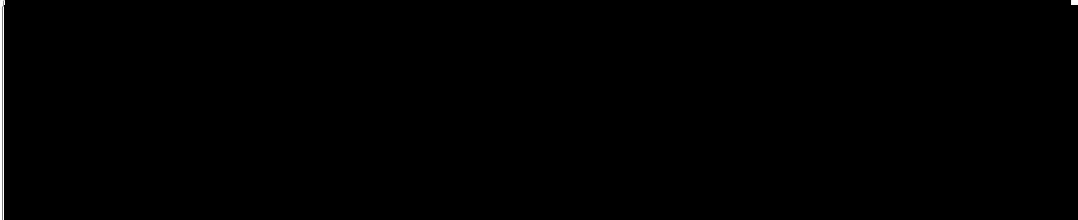
losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2022. The Company is currently in the process of evaluating the impact,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

	<b>2020</b>	<b>2019</b>
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]
<b>Notes Payable, net of current portion</b>	[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]
<b>Total -</b>	[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.

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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												
<b>Total Assets</b>												
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												
<b>Total Liabilities and Equity</b>												

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
<b>Current Assets</b>												
Cash												
Accounts Receivable, net												
Other Current Assets												
<b>Total Current Assets</b>												
<b>Property, Plant and Equipment, Net</b>												
<b>Non-Current Assets</b>												
Preliminary Survey & Investigation												
Investment in Associated Companies												
Receivable from Associated Companies												
Other Long-Term Assets												
<b>Total Non-Current Assets</b>												
<b>Goodwill</b>												
<b>Intangible Assets</b>												
<b>Deferred Income Tax</b>												
<b>Total Assets</b>												
<b>Current Liabilities</b>												
Accounts Payable												
Notes Payable - Current												
Other Current Liabilities												
<b>Total Current Liabilities</b>												
<b>Long-Term Liabilities</b>												
Notes Payable, net of Current Portion												
Payable to Associated Companies												
Contributions in Aid of Construction												
Other Long-Term Liabilities												
<b>Total Long-Term Liabilities</b>												
<b>Deferred Income Tax Liability</b>												
<b>Members' Equity</b>												
Paid-in Capital												
Retained Deficit												
<b>Total Members' Equity</b>												
<b>Total Liabilities and Equity</b>												



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
<b>Operating Revenue</b>											
Operating Revenue											
<b>Operating Expense</b>											
Operations and Maintenance											
General and Administrative											
Depreciation and Amortization											
Total Operating Expense											
Operating Loss											
<b>Other Income (Expense)</b>											
Other Revenue											
Interest											
Total Other Income (Expense)											
<b>Net Loss before Taxes</b>											
<b>Net Income (Loss)</b>											

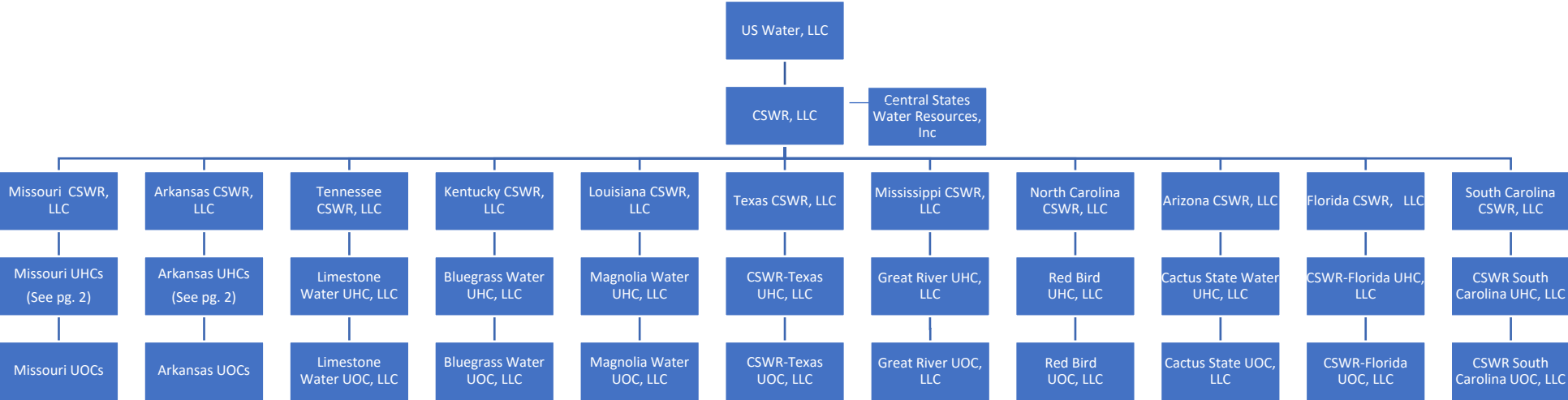
CSWR, LLC & Subsidiaries  
 Supplemental Information to the  
 Consolidated Financial Statements  
 For the year ended December 31, 2020

CONSOLIDATING STATEMENT OF OPERATIONS

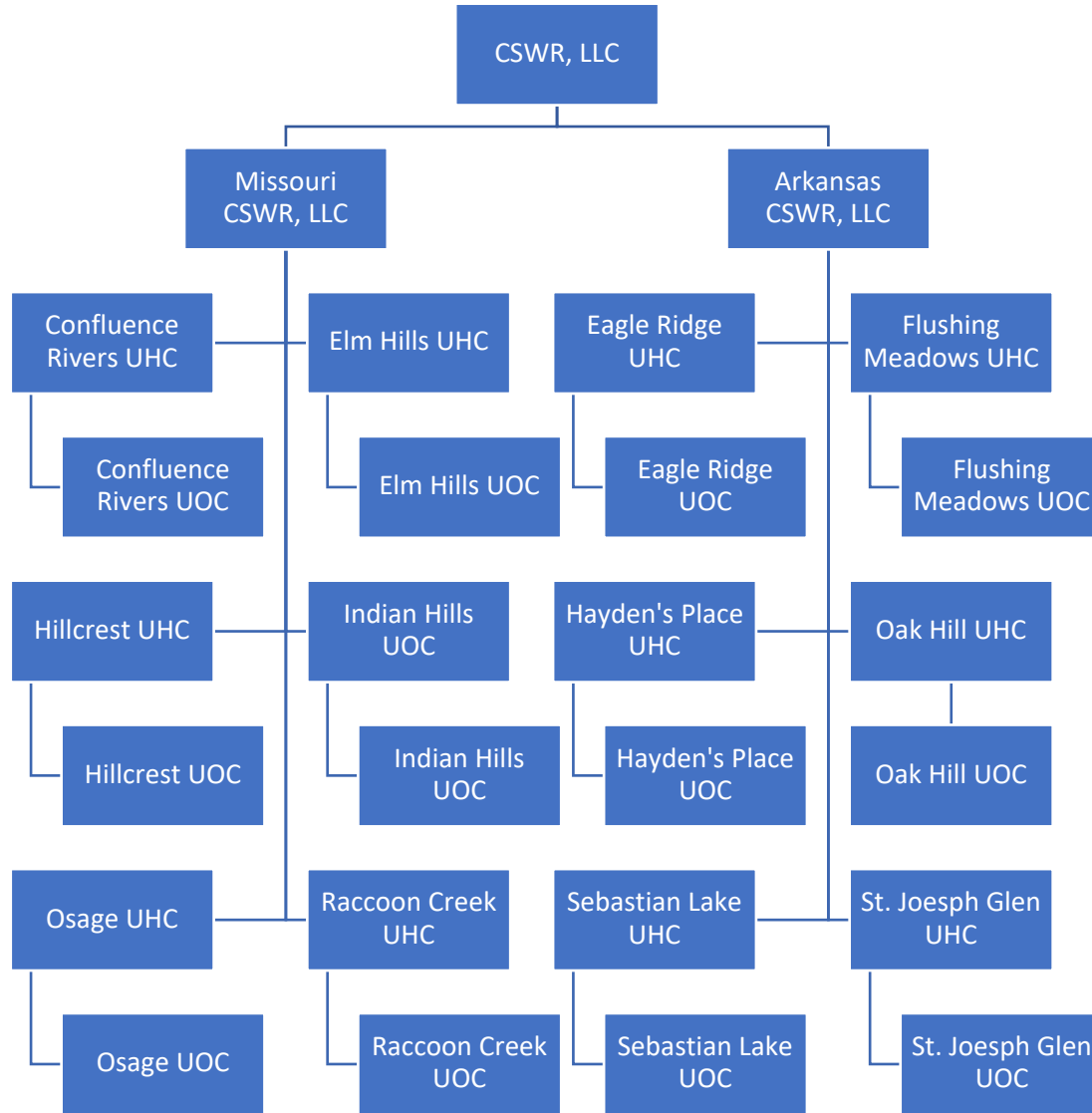
	Kentucky- CSWR	Bluegrass	Arkansas- CSWR	Hayden's Place	St. Joseph's Glen	Sebastian Lake	Eagle Ridge	Oak Hill	Flushing Meadows	TX-CSWR	CSWR-TX Operating	Inactive Entities
<b>Operating Revenue</b>												
Operating Revenue												
<b>Operating Expense</b>												
Operations and Maintenance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

Township 14 South, Range 20 East

In Section 36

Forest Villas

The Northeast 1/4 of the Northeast 1/4

AND

Beginning at the Northeast corner of Section 36, Township 14 South, Range 20 East, Thence S0°01'40"W along the East Boundary of said Section 1032.54 feet, Thence N89°52'38"W 125.00 feet, Thence S0°01'40"W 125.00 feet to the North right-of-way line of N.W. 46th Street as per Plat of Forest of Golden Hills as recorded in Plat Book R, Page 139, Public Records of Marion County, Florida, Thence N89°52'38"W along said right of way 152.43 feet to the point of curvature of a curve concave Northerly and having a radius of 633.21 feet, Thence Northwesterly along and with said curve a chord bearing and distance of N80°35'34"W 204.31 feet to point on a curve concave Northwesterly and having a radius of 30.00 feet, Thence Northeasterly along and with said curve to the left a chord bearing and distance of N57°11'00"E 46.96 feet to a point of reverse curvature of a curve concave Easterly and having a radius of 175.00 feet, Thence Northeasterly along and with said curve a chord bearing and distance of N22°42'56"E 102.56 feet, Thence N0°01'40"E 713.83 feet, Thence N89°56'13"W 730.00 feet, Thence N0°09'50"E 130.00 feet, Thence N89°56'13"W 1238.43 feet, Thence S0°07'12"W 105.00 feet, Thence N89°56'13"W 265.00 feet, Thence N0°07'12"E 265.00 feet, Thence S89°56'13"E 265.00 feet, Thence S0°07'12"W 120.00 feet, Thence S89°56'13"E 1238.52 feet, Thence N0°09'50"E 120.00 feet, Thence S89°56'13"E along the North Boundary of said Section 1129.31 feet to the Point of Beginning.

Cedar Grove

BEGINNING AT THE NORTHEAST CORNER OF BRYAN WOODS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, THENCE N.78°53'04" W. ALONG THE NORTH BOUNDARY OF SAID BRYAN WOODS 112.00 FEET; THENCE DEPARTING FROM SAID NORTH BOUNDARY N.6°34'41" E. 155.00 FEET; THENCE S.78°53'04" E. 89.75 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 83°41'35" AN ARC DISTANCE OF 36.52 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT (60 FEET WIDE); THENCE SOUTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 4°15'23" AN ARC DISTANCE OF 132.64 FEET TO THE POINT OF BEGINNING.

AND ALSO:

COMMENCING AT THE NORTHEAST CORNER OF BRYAN WOODS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT AND ON A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; THENCE NORTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 7°32'35" AN ARC DISTANCE OF 235.06 FEET TO THE POINT OF BEGINNING, SAID POINT BEING THE POINT OF CUSP WITH A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.88°28'41" E.; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE SOUTHERLY AND SOUTHWESTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 99°35'37" AN ARC DISTANCE OF 43.46 FEET TO THE POINT OF TANGENCY; THENCE N.78°53'04" W. 96.51 FEET; THENCE N.0°09'50" E. 339.88 FEET; THENCE S.89°56'13" E. 99.96 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 90°06'03" AN ARC DISTANCE OF 39.31 FEET TO THE POINT OF TANGENCY SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF NW 82ND COURT; THENCE S.0°09'50" W. ALONG SAID WEST RIGHT-OF-WAY LINE 267.12 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; THENCE SOUTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 1°21'29" AN ARC DISTANCE OF 42.33 FEET TO THE POINT OF BEGINNING.

AND ALSO:

COMMENCING AT THE NORTHEAST CORNER OF BRYAN WOODS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT AND ON A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; THENCE NORTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 8°54'04" AN ARC DISTANCE OF 277.39 FEET TO THE POINT OF TANGENCY; THENCE N.00°09'50" E. 367.16 FEET TO THE POINT OF BEGINNING, SAID POINT BEING THE POINT OF CUSP WITH A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.89°56'13" E.; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE SOUTHERLY AND SOUTHWESTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 90°06'03" AN ARC DISTANCE OF 39.31 FEET TO THE POINT OF TANGENCY; THENCE N.89°56'13" W. 55.00 FEET; THENCE N.0°09'50" E. 110.00 FEET TO AN INTERSECTION WITH THE SOUTH BOUNDARY OF GOLDEN HILLS TURF AND COUNTRY CLUB, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK H, PAGES 11, 11A, AND 11B OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; THENCE S.89°56'13" E. ALONG SAID SOUTH BOUNDARY 80.00 FEET TO AN INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT; THENCE S.0°09'50" W. ALONG SAID RIGHT-OF-WAY LINE 85.00 FEET TO THE POINT OF BEGINNING.

Sandlin Woods

BEGINNING AT THE NORTHWEST CORNER OF THE NE 1/4 OF SECTION 36, TOWNSHIP 14 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, THENCE S.89°56'13"E, 1423.48 FEET ALONG THE NORTH BOUNDARY OF SAID SECTION 36 TO THE NORTHWEST CORNER OF BLOCK A, CEDAR GROVE AS PER PLAT THEREOF RECORDED IN PLAT BOOK W, PAGES 37 AND 38, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; THENCE DEPARTING FROM SAID NORTH BOUNDARY S.0°09'50"W, 110.00 FEET ALONG THE WEST BOUNDARY OF SAID BLOCK A, TO THE SOUTHWEST CORNER OF SAID BLOCK A; THENCE S.89°56'13"E, 55.00 FEET ALONG THE SOUTH BOUNDARY OF SAID BLOCK A TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.04 FEET; THENCE EASTERLY AND NORTHEASTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 89°53'57" AN ARC DISTANCE OF 39.30 FEET TO THE POINT OF CUSP OF SAID CURVE, AND TO WHICH POINT A RADIAL LINE BEARS S.89°50'10"E, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF N.W. 82ND. COURT; THENCE DEPARTING FROM SAID SOUTH BOUNDARY S.0°09'50"W, 100.04 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF CUSP WITH A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET, AND TO WHICH POINT A RADIAL LINE BEARS S.89°50'10"E, SAID POINT ALSO BEING ON THE NORTH BOUNDARY OF BLOCK B, SAID CEDAR GROVE; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE NORTHERLY AND NORTHWESTERLY ALONG AND WITH THE NORTH BOUNDARY OF SAID BLOCK B AND SAID CURVE THROUGH A CENTRAL ANGLE OF 90°06'03" AN ARC DISTANCE OF 39.31 FEET TO THE POINT OF TANGENCY; THENCE N.89°56'13"W, 99.96 FEET TO THE NORTHWEST CORNER OF SAID BLOCK B; THENCE S.0°09'50"W, 339.88 FEET ALONG THE WEST BOUNDARY OF SAID BLOCK B TO THE SOUTHWEST CORNER OF SAID BLOCK B; THENCE S.78°53'04"E, 96.51 FEET ALONG THE SOUTH BOUNDARY OF SAID BLOCK B TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET; THENCE EASTERLY AND NORTHEASTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 99°35'37" AN ARC DISTANCE OF 43.46 FEET TO THE POINT OF CUSP WITH A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.88°28'41"E, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF N.W. 82ND. COURT; THENCE SOUTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 3°17'12" AN ARC DISTANCE OF 102.42 FEET TO THE POINT OF CUSP WITH A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.85°11'29"E, SAID POINT ALSO BEING ON THE NORTH BOUNDARY OF BLOCK C, SAID CEDAR GROVE; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE NORTHERLY AND NORTHWESTERLY ALONG THE NORTH BOUNDARY OF SAID BLOCK C AND SAID CURVE THROUGH A CENTRAL ANGLE OF 83°41'35" AN ARC DISTANCE OF 36.52 FEET TO THE POINT OF TANGENCY; THENCE N.78°53'04"W, 89.75 FEET TO THE NORTHWEST CORNER OF SAID BLOCK C; THENCE S.6°34'41"W, 155.00 FEET ALONG THE WEST BOUNDARY OF SAID BLOCK C TO THE SOUTHWEST CORNER OF BLOCK C, SAID POINT BEING ON THE NORTH BOUNDARY OF BRYAN WOODS, AS PER PLAT THEREOF RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; THENCE N.78°53'04"W, 588.06 FEET ALONG THE SAID NORTH BOUNDARY; THENCE CONTINUE ALONG SAID NORTH BOUNDARY S.83°30'01"W, 538.24 FEET; THENCE N.89°50'27"W, 260.00 FEET TO THE NORTHWEST CORNER OF SAID BRYAN WOODS, SAID POINT BEING ON THE WEST BOUNDARY OF AFORESAID NE 1/4; THENCE DEPARTING SAID NORTH BOUNDARY N.0°09'33"E, 655.27 FEET ALONG SAID WEST BOUNDARY TO THE POINT OF BEGINNING.

Township 14 South, Range 21 East

In Section 31

Village of Ascot Heath

In the Northwest 1/4 more particularly described as follows:

Lots 2 thru 9, Block 2, Golden Hills Turf and Country Club Subdivision, as recorded in Plat Book H, Pages 11, 11A, and 11B, Public Records of Marion County, Florida.

and

Lot 10, Block 2, a revised portion of Golden Hills Turf and Country Club Subdivision, as recorded in Plat Book H, Page 47, Public Records of Marion County, Florida.

# EXHIBIT H



## BFF Sewer – Sandlin Woods Wastewater (Sewer)

### Facility Information:

Wastewater System: Permit# FLA012678

Ocala, Marion County, FL

~XX Service connections

Assets: Collection system with 3 lift stations and a master lift station conveying wastewater to Marion County

### Compliance History

As this system purchases treatment from Marion County, there is no compliance history.

### Description of need:

At this time, reinvestment in the collection system and lift stations is the only clear need at this time.

### Proposed Improvements:

At this time, money will be budgeted for lift station repair, and remote monitoring at each lift station.

Tradewinds Utilities, Inc – Tradewinds WWTF (Sewer)		
No.	Description	Cost
1	Install Mission Remote Monitoring (Qty. 4)	\$40,000
2	Collection System Repairs	\$60,000
3	Lift Station Rehabilitation (Qty. 4)	\$80,000
<b>Total</b>		<b>\$180,000</b>

# **EXHIBIT I**

THIS INSTRUMENT PREPARED BY:  
Charles L. Cooper  
Bryant Miller Olive P.A.  
1545 Raymond Diehl Rd., Suite 300  
Tallahassee, FL 32308

Property Appraiser's ID #: \_\_\_\_\_  
Consideration: \$ \_\_\_\_\_  
Doc Stamps: \$ \_\_\_\_\_  
\_\_\_\_\_ [Space Above This Line For Recording Data] \_\_\_\_\_

**WARRANTY DEED**

**This Warranty Deed** is made this \_\_\_ day of \_\_\_\_\_, 202\_\_, by BFF CORP., a Florida corporation ("Grantor") whose post office address is 12601 SE Sunset Harbor Rd., Weirsdale, FL 32195, to CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC, a Florida limited liability company ("Grantee") whose post office address is 1650 Des Peres Road, Suite 303, St. Louis, MO 63131.

"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:

BFF CORP.,  
a Florida corporation

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name:

\_\_\_\_\_

\_\_\_\_\_  
Print Name:

\_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_, 202\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, on behalf of the company. He (\_\_\_\_) is personally known to me or (\_\_\_\_) produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

EXHIBIT "A"

810909  
12675-000-01

BFF CORP  
BFF CORP INC

840 NW 47TH ST

Beta Map It+ 0000 9002 0.00  
Beta Map It+ 0191 9002 0.08 Acre

# EXHIBIT J

COMMISSIONERS:  
GARY F. CLARK, CHAIRMAN  
ART GRAHAM  
ANDREW GILES FAY  
MIKE LA ROSA  
GABRIELLA PASSIDOMO

STATE OF FLORIDA



DIVISION OF ECONOMICS  
JUDY HARLOW  
DIRECTOR  
(850) 413-6410

# Public Service Commission

September 13, 2021

Mr. Charles deMenzes  
BFF Corp  
P. O. Box 5220  
Ocala, Florida 34478

WS-2021-0064

**Re: Application for 2021 Price Index Rate Adjustment for BFF Corp for wastewater only in Marion County.**

Dear Mr. deMenzes:

The following tariff sheets have been approved effective September 1, 2021:

**Wastewater Tariff**

**Seventh Revised Sheet No. 12.0**

**Seventh Revised Sheet No. 13.0**

**Seventh Revised Sheet No. 13.1**

Please incorporate these tariff sheets into the approved tariffs on file at the utility's office. If you have any questions, please contact Malissa Bennett at (850) 413-6822 at our office.

Sincerely,

A handwritten signature in black ink that reads "Judy D. Harlow".

Judy Harlow  
Director

JH:js  
Enclosures

GENERAL SERVICE

RATE SCHEDULE (GS)

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For wastewater 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"	\$ 32.16
3/4"	\$ 48.24
1"	\$ 80.40
1 1/2"	\$ 160.80
2"	\$ 257.28
3"	\$ 514.56
4"	\$ 804.00
6"	\$ 1,608.00
Charge per 1,000 gallons	\$ 9.93

- 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 wastewater service, service may then be discontinued.

EFFECTIVE DATE - September 1, 2021

TYPE OF FILING - 2021 Price Index

WS-2021-0064

CHARLES DE MENZES  
ISSUING OFFICER

ASST. VICE PRESIDENT  
TITLE



RESIDENTIAL SERVICE

RATE SCHEDULE (RS-1)

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For wastewater 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 Size</u>                             | <u>Base Facility Charge</u> |
|---|-----------------------------|
| All Meter Sizes                               | \$ 32.16                    |
| Charge per 1,000 gallons<br>10,000 gallon cap | \$ 8.53                     |
- 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 wastewater service, service may then be discontinued.

EFFECTIVE DATE - September 1, 2021

TYPE OF FILING - 2021 Price Index

WS-2021-0064

CHARLES DE MENZES  
ISSUING OFFICER

ASST. VICE PRESIDENT  
TITLE

RESIDENTIAL SERVICE

RATE SCHEDULE (RS-2)

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For un-metered Residential wastewater customers only.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Flat Rate \$ 73.48

MINIMUM CHARGE - Flat Rate

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 wastewater service, service may then be discontinued.

EFFECTIVE DATE - September 1, 2021

TYPE OF FILING - 2021 Price Index

WS-2021-0064

CHARLES DE MENZES  
ISSUING OFFICER

ASST. VICE PRESIDENT  
TITLE

# **EXHIBIT K**

**Tradewinds Utilities, Inc.**

**CLASS "A" OR "B"**

**WATER AND/OR WASTEWATER UTILITIES**  
(Gross Revenue of More Than \$200,000 Each)

**ANNUAL REPORT**

OF

WS350-20-AR  
Charles de Menzes  
Tradewinds Utilities, Inc.  
P. O. Box 5220  
Ocala, FL 34478-5220

**OFFICIAL COPY**  
**Public Service Commission**  
**Do Not Remove From This Office**

---

Submitted To The

**STATE OF FLORIDA**

**PUBLIC SERVICE COMMISSION**

FOR THE

YEAR ENDED December 31, 2020

**CLASS A / B ANNUAL REPORT**

NAME OF UTILITY:

Tradewinds Utilities, Inc

YEAR OF REPORT:

December 31, 2020

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission  
Division of Economic Regulation  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850**

The fourth copy should be retained by the utility.

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Wastewater Listing of System Groups	S-1	Contributions In Aid of Construction	S-7
Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Basis for Wastewater Depreciation Charges	S-5	Calculation of ERC's	S-11
Analysis of Entries in Wastewater Depreciation Reserve	S-6	Wastewater Treatment Plant Information	S-12
		Other Wastewater System Information	S-13

# **EXECUTIVE SUMMARY**

UTILITY NAME: Tradewinds Utilities, Inc

**YEAR OF REPORT**  
December 31, 2020

### CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the the financial statement of the utility.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified

1.	2.	3.	4.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*Charles de Menzes*

(Signature of Chief Executive Officer of the utility) \*

1.	2.	3.	4.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Signature of Chief Financial Officer of the utility) \*

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

**NOTICE:** Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT  
December 31, 2020

Tradewinds Utilities, Inc  

---

  
(Exact Name of Utility)

County: Marion

List below the exact mailing address of the utility for which normal correspondence should be sent:

PO Box 5220  
Ocala, FL 34478-5220

Telephone: 352 622-4949  
E Mail Address: charlie@altfo.com  
WEB Site:

Sunshine State One-Call of Florida, Inc. Member Number MIR598

Name and address of person to whom correspondence concerning this report should be addressed:

Charles deMenzes  
PO Box 5220  
Ocala, FL 34478  
Telephone: 352 622-4949

List below the address of where the utility's books and records are located:

1552 SW 7th Road  
Ocala, FL 34470

Telephone: 352 622-4949

List below any groups auditing or reviewing the records and operations:

Date of original organization of the utility: February 11, 1983

Check the appropriate business entity of the utility as filed with the Internal Revenue Service

Individual      Partnership      Sub S Corporation      1120 Corporation  
                 

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	Charles deMenzes Revocable Trust	100%

UTILITY NAME: Tradewinds Utilities, Inc

**DIRECTORY OF PERSONNEL WHO CONTACT  
THE FLORIDA PUBLIC SERVICE COMMISSION**

<b>NAME OF COMPANY REPRESENTATIVE (1)</b>	<b>TITLE OR POSITION (2)</b>	<b>ORGANIZATIONAL UNIT TITLE (3)</b>	<b>USUAL PURPOSE FOR CONTACT WITH FPSC</b>
Charles deMenzes	President	Tradewinds Utilities, Inc.	All Utility Matters
Deborah Dillon	Vice President	Tradewinds Utilities, Inc.	All Utility Matters

(1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.  
(2) Provide individual telephone numbers if the person is not normally reached at the company.  
(3) Name of company employed by if not on general payroll.

UTILITY NAME: Tradewinds Utilities, Inc**COMPANY PROFILE**

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

- A. The company was organized to provide potable water service to various subdivisions in Marion County
- B. The company provides wastewater treatment and distribution services to customers in its certificated area.
- C. The primary goal of the Company is to continue rendering quality service to its existing customers.
- D. The Company provides water treatment and distribution services, only in Marion County
- E. The Company expects to continue an average growth rate of approximately .05%
- F. None

**UTILITY NAME:** Tradewinds Utilities, Inc

**PARENT / AFFILIATE ORGANIZATION CHART**

**Current as of December 31, 2020**

Complete below an organizational chart that show all parents, subsidiaries and affiliates of the utility.  
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).

Tradewinds Utilities, Inc

MIRA International, Inc

Tradewinds Utilities, Inc and Mira International, Inc have common ownership

UTILITY NAME: Tradewinds Utilities, Inc

**COMPENSATION OF OFFICERS**

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.

NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Charles deMenzes	President	60%	\$ 60,000
Deborah Dillon	Vice President	60%	\$ 40,000

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Charles deMenzes	Chairman/Pres	1	\$ 20,000
Deborah Dillon	Sec/Treasurer	1	20,000



UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
--

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

List all contracts, agreements, or other business arrangements\* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

<b>NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)</b>	<b>IDENTIFICATION OF SERVICE OR PRODUCT (b)</b>	<b>AMOUNT (c)</b>	<b>NAME AND ADDRESS OF AFFILIATED ENTITY (d)</b>
MIRA International, Inc	See E-10(a)		

\* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principal occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Charles deMenzes	Management Company	Chairman/President	MIRA International, Inc 1552 SW 7th Road, Ocala
Charles deMenzes	Utility Company	Chairman/President	CFAT, Inc 1552 SW 7th Road, Ocala
Charles deMenzes	Utility Company	Chairman/President	BFF Corp 1552 SW 7th Road, Ocala

UTILITY NAME: Tradewinds Utilities, Inc

**BUSINESSES WHICH ARE A BY-PRODUCT, COPRODUCT OR JOINT-PRODUCT  
RESULT OF PROVIDING WATER OR WASTEWATER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct, or joint product as a result of providing water service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange juice processing, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property. Revenue and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES	
	BOOK COST OF ASSETS (b)	ACCOUNT NUMBER (c)	REVENUES GENERATED (d)	ACCOUNT NUMBER (e)
None	\$ _____	_____	\$ _____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
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	_____	_____	_____	_____
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	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

UTILITY NAME: Tradewinds Utilities, Inc

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6, identifying the parties, amounts, dates and product, and asset, or service involved.

**Part I. Specific Instructions: Services and Products Received or Provided**

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
  - management, legal and accounting services
  - computer services
  - engineering & construction services
  - repairing and servicing of equipment
  - material and supplies furnished
  - leasing of structures, land, and equipment
  - rental transactions
  - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased (S)old (d)	AMOUNT (e)
MIRA International, Inc	Billing, Computer Service	On-going	P	\$
	Admin Services			33,750
	Payroll, Meter Reading			152,106
	Insurance, Office Space			17,250
	Materials, Supplies			17,860
	Repair, Service Equip			10,124
	Customer Relations			
	Customer Service			
	Annual PSC Reporting			8,000
	Hospitalization Benefits			25,000

UTILITY NAME: Tradewinds Utilities, Inc

**BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)**

**Part II. Specific Instructions: Sale, Purchase and Transfer of Assets**

1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.
2. Below are examples of some types of transactions to include:
  - purchase, sale or transfer of equipment
  - purchase, sale or transfer of land and structures
  - purchase, sale or transfer of securities
  - noncash transfers of assets
  - noncash dividends other than stock dividends
  - write-off of bad debts or loans
3. The columnar instructions follow:
  - (a) Enter name of related party or company.
  - (b) Describe briefly the type of assets purchased, sold or transferred.
  - (c) Enter the total received or paid. Indicate purchase with minus sign.
  - (d) Enter the net book value for each item reported.
  - (e) Enter the net profit or loss for each item reported. (columnar instructions)
  - (f) Enter the fair market value for each item reported. In separate schedule, describe the basis used to calculate fair market value.

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN
None		\$ _____	\$ _____	\$ _____
		_____	_____	_____
		_____	_____	_____
		_____	_____	_____
		_____	_____	_____
		_____	_____	_____
		_____	_____	_____
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		_____	_____	_____
		_____	_____	_____
		_____	_____	_____

# **FINANCIAL SECTION**

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
--

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 2,337,428.01	\$ 2,348,756.01
108-110	Less: Accumulated Depreciation and Amortization	F-8	1,495,371.00	1,697,144.48
Net Plant			\$ 842,057.01	\$ 651,611.53
114-115	Utility Plant Acquisition adjustment (Net)	F-7	-	-
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 842,057.01	\$ 651,611.53
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9	\$ -	\$ -
122	Less: Accumulated Depreciation and Amortization		-	-
Net Nonutility Property			\$ -	\$ -
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$ -	\$ -
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ 5,346.63	\$ 8,436.97
132	Special Deposits	F-9	-	-
133	Other Special Deposits	F-9	-	-
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	(264.83) 42,365.51	(264.83) 33,452.85
145	Accounts Receivable from Associated Companies	F-12		12,500.00
146	Notes Receivable from Associated Companies	F-12		
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 47,447.31	\$ 54,124.99

\* Not Applicable for Class B Utilities

UTILITY NAME: Tradewinds Utilities, Inc

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**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 1,424	\$
182	Extraordinary Property Losses	F-13	-	-
183	Preliminary Survey & Investigation Charges		-	-
184	Clearing Accounts		-	-
185 *	Temporary Facilities		-	-
186	Miscellaneous Deferred Debits	F-14	-	-
187 *	Research & Development Expenditures		-	-
190	Accumulated Deferred Income Taxes		-	-
	Total Deferred Debits		\$ 1,424	\$ -
	TOTAL ASSETS AND OTHER DEBITS		\$ 890,928	\$ 705,737

\* Not Applicable for Class B Utilities

**NOTES TO THE BALANCE SHEET**

The space below is provided for important notes regarding the balance sheet.



UTILITY NAME: Tradewinds Utilities, Inc

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**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 200	\$ 200
204	Preferred Stock Issued	F-15	-	-
202,205 *	Capital Stock Subscribed			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		476,051	476,051
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(258,101)	(260,981)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 218,150	\$ 215,270
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	-	-
224	Other Long Term Debt	F-17	451,087	418,340
Total Long Term Debt			\$ 451,087	\$ 418,340
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		1,075	1,075
232	Notes Payable	F-18		-
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18	-	-
235	Customer Deposits		23,603	33,453
236	Accrued Taxes	W/S-3	12,996	30,128
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	581	581
Total Current & Accrued Liabilities			\$ 38,255	\$ 65,237

\* Not Applicable for Class B Utilities

UTILITY NAME: Tradewinds Utilities, Inc

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**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium On Debt	F-13	\$ -	\$ -
252	Advances For Construction	F-20	-	-
253	Other Deferred Credits	F-21	-	-
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ -	\$ -
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve		\$	\$
262	Injuries & Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves			\$	\$
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	\$ 884,470	\$ 882,087
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(859,335)	(870,711)
Total Net C.I.A.C.			\$ 25,135	\$ 11,376
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$	\$
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accumulated Deferred Income Tax			\$ -	\$ -
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			\$ 752,626	\$ 710,223

UTILITY NAME: Tradewinds Utilities, Inc

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**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues	F-3(b)	\$ 402,146	\$ 404,426
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	-	-
	Net Operating Revenues		\$ 402,146	\$ 404,426
401	Operating Expenses	F-3(b)	\$ 325,842	\$ 342,791
403	Depreciation Expense:	F-3(b)	\$ 54,227	\$ 54,928
	Less: Amortization of CIAC	F-22	13,938	11,376
	Net Depreciation Expense		\$ 40,289	\$ 43,552
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	-	-
407	Amortization Expense (Other than CIAC)	F-3(b)	-	-
408	Taxes Other Than Income	W/S-3	30,048	30,128
409	Current Income Taxes	W/S-3	-	-
410.10	Deferred Federal Income Taxes	W/S-3	-	-
410.11	Deferred State Income Taxes	W/S-3	-	-
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	-	-
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3	-	-
412.11	Investment Tax Credits Restored to Operating Income	W/S-3	-	-
	Utility Operating Expenses		\$ 396,179	\$ 416,472
	Net Utility Operating Income		\$ 5,967	\$ (12,046)
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	-	-
413	Income From Utility Plant Leased to Others		-	-
414	Gains (losses) From Disposition of Utility Property		-	-
420	Allowance for Funds Used During Construction		-	-
	Total Utility Operating Income [Enter here and on Page F-3(c)]		\$ 5,967	\$ (12,046)

\* For each account, Column e should agree with Columns f, g and h on F-3(b)

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
UTILITY OPERATING INCOME				
400	Operating Revenues	\$ 184,322	\$ 220,104	\$ _____
469, 530	Less: Guaranteed Revenue and AFPI	-	\$ -	_____
Net Operating Revenues		\$ 184,322	\$ 220,104	\$ _____
401	Operating Expenses	\$ 153,922	\$ 188,869	\$ _____
403	Depreciation Expense:	29,512	\$ 25,416	_____
	Less: Amortization of CIAC	-	\$ 11,376	_____
Net Depreciation Expense		\$ 29,512	\$ 14,040	\$ _____
406	Amortization of Utility Plant Acquisition Adjustment	-	\$ -	_____
407	Amortization Expense (Other than CIAC)	-	\$ -	_____
408	Taxes Other Than Income	14,090	\$ 16,038	_____
409	Current Income Taxes	-	\$ -	_____
410.10	Deferred Federal Income Taxes	-	\$ -	_____
410.11	Deferred State Income Taxes	-	\$ -	_____
411.10	Provision for Deferred Income Taxes - Credit	-	\$ -	_____
412.10	Investment Tax Credits Deferred to Future Periods	-	\$ -	_____
412.11	Investment Tax Credits Restored to Operating Income	-	\$ -	_____
Utility Operating Expenses		\$ 197,525	\$ 218,947	\$ _____
Net Utility Operating Income		\$ (13,203)	\$ 1,157	\$ _____
469, 530	Add Back: Guaranteed Revenue and AFPI	-	\$ -	_____
413	Income From Utility Plant Leased to Others	-	\$ -	_____
414	Gains (losses) From Disposition of Utility Property	-	\$ -	_____
420	Allowance for Funds Used During Construction	-	\$ -	_____
Total Utility Operating Income [Enter here and on Page F-3(c)]		\$ (13,203)	\$ 1,157	\$ _____

\* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME: Tradewinds Utilities, Inc

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**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ <u>5,967</u>	\$ <u>(12,046)</u>
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		_____	_____
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		_____	_____
Total Other Income and Deductions			\$ _____ -	\$ _____ -
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		\$ _____	\$ _____
409.20	Income Taxes		_____	_____
410.20	Provision for Deferred Income Taxes		_____	_____
411.20	Provision for Deferred Income Taxes - Credit		_____	_____
412.20	Investment Tax Credits - Net		_____	_____
412.30	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ _____ -	\$ _____ -
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ _____	\$ _____ -
428	Amortization of Debt Discount & Expense	F-13	1,046	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ <u>1,046</u>	\$ _____ -
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ _____ -	\$ _____ -
<b>NET INCOME</b>			<u>\$ <u>7,013</u></u>	<u>\$ <u>(12,046)</u></u>

UTILITY NAME: Tradewinds Utilities, Inc

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**SCHEDULE OF YEAR END RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 1,267,708	\$ 1,081,048
	Less:			
	Nonused and Useful Plant (1)		-	-
108	Accumulated Depreciation	F-8	777,736	919,408
110	Accumulated Amortization	F-8	-	-
271	Contributions in Aid of Construction	F-22	332,247	538,464
252	Advances for Construction	F-20	-	-
Subtotal			\$ 157,724	\$ (376,824)
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	332,247	538,464
Subtotal			\$ 489,971	\$ 161,640
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7	-	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-	-
	Working Capital Allowance (3)		19,240	23,609
	Other (Specify):			
105	Construction in Process		-	-
RATE BASE			\$ 509,212	\$ 185,249
NET UTILITY OPERATING INCOME			\$ (13,203)	\$ 1,157
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-2.59%	0.62%

**NOTES :**

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

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**SCHEDULE OF CURRENT COST OF CAPITAL  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ _____	-	_____	_____
Preferred Stock	_____	-	_____	_____
Long Term Debt	_____	-	_____	_____
Customer Deposits	_____	-	_____	_____
Tax Credits - Zero Cost	_____	-	_____	_____
Tax Credits - Weighted Cost	_____	-	_____	_____
Deferred Income Taxes	_____	-	_____	_____
Other (Explain)	_____	-	_____	_____
	_____	-	_____	_____
<b>Total</b>	\$ _____	_____		_____

- (1) If the utility's capital structure is not used, explain which capital structure is used.  
\_\_\_\_\_
- (2) Should equal amounts on Schedule F-6, Column (g).
- (3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

**APPROVED RETURN ON EQUITY**

Current Commission Return on Equity:	_____ 11.16%
Commission order approving Return on Equity:	_____ 100127-WS _____

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	_____ %
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME:

Tradewinds Utilities, Inc

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	AT
Common Equity	\$ 200	\$	\$	\$	\$
Preferred Stock					
Long Term Debt					
Customer Deposits					
Tax Credits - Zero Cost					
Tax Credits - Weighted Cost					
Deferred Inc. Taxes					
Other (Explain)					
<b>Total</b>	\$ 200	\$	\$	\$	\$

(1) Explain below all adjustments made in Columns (e) and (f):

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UTILITY NAME: Tradewinds Utilities, Inc

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**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 1,267,708	\$ 1,081,048	\$ _____	\$ 2,348,756
102	Utility Plant Leased to Other	_____	_____	_____	-
103	Property Held for Future Use	_____	_____	_____	-
104	Utility Plant Purchased or Sold	_____	_____	_____	-
105	Construction Work in Progress	-	_____	_____	-
106	Completed Construction Not Classified	_____	_____	_____	-
	<b>Total Utility Plant</b>	<u>\$ 1,267,708</u>	<u>\$ 1,081,048</u>	<u>\$ -</u>	<u>\$ 2,348,756</u>

**UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately.  
For any acquisition adjustments approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	_____	_____	\$ _____
		_____	_____	_____	-
		_____	_____	_____	-
	<b>Total Plant Acquisition Adjustments</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
115	Accumulated Amortization	\$ _____	_____	_____	\$ _____
		_____	_____	_____	-
		_____	_____	_____	-
		_____	_____	_____	-
	<b>Total Accumulated Amortization</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>Net Acquisition Adjustments</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UTILITY NAME: Tradewinds Utilities, Inc

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**ACCUMULATED DEPRECIATION ( ACCT. 108 ) AND AMORTIZATION (ACCT. 110)**

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b>				
Account 108				
Balance first of year	\$ 748,224	\$ 893,992	\$ -	\$ 1,642,216
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 29,512	\$ 25,416	\$ -	\$ 54,928
Account 108.2 (2)	-	-	-	-
Account 108.3 (2)	-	-	-	-
Other Accounts (specify):				
Salvage	-	-	-	-
Other Credits (Specify):				
Total Credits	\$ 29,512	\$ 25,416	\$ -	\$ 54,928
Debits during year:				
Book cost of plant retired	-	-	-	-
Cost of Removal	-	-	-	-
Other Debits (specify):				
Total Debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ 777,736	\$ 919,408	\$ -	\$ 1,697,144
<b>ACCUMULATED AMORTIZATION</b>				
Account 110				
Balance first of year	\$ -	\$ -	\$ -	\$ -
Credit during year:				
ccruals charged to:				
Account 110.2 (3)	-	-	-	-
Other Accounts (specify):				
Total credits	\$ -	\$ -	\$ -	\$ -
Debits during year:				
Book cost of plant retired	-	-	-	-
Other debits (specify):				
Total Debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ -	\$ -	\$ -	\$ -

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

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**REGULATORY COMMISSION EXPENSE  
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
None	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total	\$ _____	_____	\$ _____

**NONUTILITY PROPERTY (ACCOUNT 121)**

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.

Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Nonutility Property	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

**SPECIAL DEPOSITS ( ACCOUNTS 132 AND 133)**

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): _____	_____
Total Special Deposits	\$ _____ -
OTHER SPECIAL DEPOSITS (Account 133): _____	_____
Total Other Special Deposits	\$ _____ -

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**INVESTMENTS AND SPECIAL FUNDS  
ACCOUNTS 123 - 127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): <hr/> None	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): <hr/> None	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): <hr/> None	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): <hr/> None		\$ _____ _____ _____
Total Special Funds		\$ _____

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**ACCOUNTS AND NOTES RECEIVABLE - NET**  
**ACCOUNTS 141 - 144**

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in  
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)	TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):	
Water & Wastewater	\$ 33,453
Other	
Total Customer Accounts Receivable	\$ 33,453
OTHER ACCOUNTS RECEIVABLE ( Account 142):	
Employee accounts receivable	
Total Other Accounts Receivable	\$ -
NOTES RECEIVABLE (Account 144 ):	
None	
Total Notes Receivable	\$ -
Total Accounts and Notes Receivable	\$ 33,453
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS ( Account 143)	
Balance first of year	
Add: Provision for uncollectibles for current year	
Collection of accounts previously written off	
Utility Accounts	
Others	
Total Additions	\$ -
Deduct accounts written off during year:	
Utility Accounts	
Others	
Total accounts written off	\$ -
Balance end of year	\$ -
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET</b>	<b>\$ 33,453</b>

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**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
Due From BFF Corp	\$ 12,500
Total	\$ 12,500

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
Due from BFF	%	\$
	%	
	%	
	%	
	%	
	%	
Total		\$

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS  
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
None	\$
Total Miscellaneous Current and Accrued Liabilities	\$

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**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT  
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
_____	\$ _____	\$ _____
Unamortized Debt Discount	1,046	
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ <u>1,046</u>	\$ _____
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
_____	\$ _____	\$ _____
None		
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ _____	\$ _____ -

**EXTRAORDINARY PROPERTY LOSSES  
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____	\$ _____
None	
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____

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**MISCELLANEOUS DEFERRED DEBITS  
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Deferred Rate Case Expense</b>	\$ <u>          -          </u>	\$ <u>          -          </u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):	\$ _____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Other Deferred Debits</b>	\$ <u>          -          </u>	\$ <u>          -          </u>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Regulatory Assets</b>	\$ <u>          -          </u>	\$ <u>          -          </u>
<b>TOTAL MISCELLANEOUS DEFERRED DEBITS</b>	\$ <u>          -          </u>	\$ <u>          -          </u>



UTILITY NAME: Tradewinds Utilities, Inc

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
<b>COMMON STOCK</b>		
Par or stated value per share	%	\$ 1
Shares authorized		200
Shares issued and outstanding		200
Total par value of stock issued	%	\$ 200
Dividends declared per share for year	%	\$ -
<b>PREFERRED STOCK</b>		
Par or stated value per share	None %	\$
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	%	\$
Dividends declared per share for year	%	\$

\* Account 204 not applicable for Class B utilities.

**BONDS  
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
None	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

\* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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**STATEMENT OF RETAINED EARNINGS**

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (258,100)
439	Changes to Account: Adjustments to Retained Earnings ( requires Commission approval prior to use): Credits: _____ _____	_____ \$ _____ _____
	Total Credits:	\$ -
	Debits: _____ _____	\$ _____ _____
	Total Debits:	\$ -
435	Balance Transferred from Income	\$ (2,881)
436	Appropriations of Retained Earnings: _____ _____	_____ _____
	Total Appropriations of Retained Earnings	\$ -
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____ _____
438	Common Stock Dividends Declared _____ Shareholder Distributions _____	_____ _____
	Total Dividends Declared	\$ -
215	Year end Balance	\$ (260,981)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____ _____	_____ _____ _____
214	Total Appropriated Retained Earnings	\$ -
Total Retained Earnings		\$ (260,981)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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**ADVANCES FROM ASSOCIATED COMPANIES  
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
	\$ _____
	_____
	_____
	_____
	_____
	_____
	_____
	_____
	_____
Total	\$ _____ -

**OTHER LONG-TERM DEBT  
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
			\$ _____
			_____
			_____
			_____
			_____
			_____
Regions Bank LC	6.50 %	Var	21,340
			_____
			_____
Stockholder Loan	0.00 %		397,000
			_____
			_____
			_____
			_____
			_____
			_____
			_____
			_____
			_____
			_____
			_____
			_____
Total			\$ <u>418,340</u>

\* For variable rate obligations, provide the basis for the rate. (i.e., prime + 2%, etc.)

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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**NOTES PAYABLE  
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE ( Account 232):			\$ _____
_____	_____ %		_____
_____			_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
<b>Total Account 232</b>			\$ _____ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			\$ _____
None	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
_____	_____ %		_____
<b>Total Account 234</b>			\$ _____ -

\* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES  
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Mira International	\$ _____
_____	_____
_____	_____
_____	_____
<b>Total</b>	\$ _____ -

UTILITY NAME: Tradewinds Utilities, Inc

**ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		IN PAI
		ACCT. DEBIT (c)	AMOUNT (d)	
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt _____ _____ _____	\$ _____ _____ - _____ _____	427.4	\$ _____ _____ 750 _____ _____	\$ _____ _____ _____ _____
Total Account 237.1	\$ _____ -		\$ _____	\$ _____
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities _____ _____ _____	\$ _____ _____ _____	427	\$ _____ _____ _____	_____ _____ _____
Total Account 237.2	\$ _____ -		\$ _____ -	\$ _____
Total Account 237 (1)	\$ _____ -		\$ _____ -	\$ _____
INTEREST EXPENSED:				
Total accrual Account 237		237	\$ _____ -	(1)
Less Capitalized Interest Portion of AFUDC: _____ _____ _____			_____ _____ _____	(2)
Net Interest Expensed to Account No. 427 (2)			\$ _____ -	



UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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**OTHER DEFERRED CREDITS  
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
_____	\$ _____	\$ _____
None	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____ -	\$ _____ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
_____	\$ _____	\$ _____
None	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____ -	\$ _____ -
<b>TOTAL OTHER DEFERRED CREDITS</b>	\$ _____ -	\$ _____ -

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>332,247</u>	\$ <u>549,840</u>	\$ _____	\$ <u>882,087</u>
Add credits during year:	\$ _____ -	_____ -	_____ -	_____ -
Less debit charged during the year	\$ _____ -	\$ <u>11,376</u>	\$ _____ -	\$ <u>11,376</u>
Total Contribution In Aid of Construction	\$ <u>332,247</u>	\$ <u>538,464</u>	\$ _____ -	\$ <u>870,711</u>

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>332,247</u>	\$ <u>527,088</u>	\$ _____	\$ <u>859,335</u>
Debits during the year:	\$ _____ -	_____ 11,376	_____	\$ <u>11,376</u>
Credits during the year	\$ _____ -	\$ _____ -	\$ _____	\$ _____ -
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>332,247</u>	\$ <u>538,464</u>	\$ _____ -	\$ <u>870,711</u>



UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)**

- The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
- If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ _____ -
Reconciling items for the year:		
Taxable income not reported on books:		
_____		_____ -
_____		_____ -
Deductions recorded on books not deducted for return:		
_____		_____ -
_____		_____ -
Income recorded on books not included in return:		
_____		_____ -
_____		_____ -
_____		_____ -
_____		_____ -
Deduction on return not charged against book income:		
_____		_____ -
_____		_____ -
_____		_____ -
_____		_____ -
Federal tax net income		\$ _____ -

Computation of tax :

This Corporation is an "S" Corporation, therefore this schedule is not applicable

**WATER  
OPERATION  
SECTION**

UTILITY NAME:

Tradewinds Utilities, Inc

**YEAR OF REPORT**

December 31, 2020

**WATER LISTING OF SYSTEM GROUPS**

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-14) must be filed for each system in the group.

All of the following water pages (W-2 through W-14) should be completed for each group and arranged by group number.

<b>SYSTEM NAME / COUNTY</b>	<b>CERTIFICATE NUMBER</b>	<b>GROUP NUMBER</b>
Tradewinds Utilities, Inc / Marion County	WS350-10-AR	1

UTILITY NAME:

Tradewinds Utilities, Inc

**YEAR OF REPORT**

December 31, 2020

SYSTEM NAME / COUNTY :

Tradewinds Utilities, Inc / Marion County

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 1,267,708
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	777,736
110	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	332,247
252	Advances for Construction		-
Subtotal			\$ 157,724
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 332,247
Subtotal			\$ 489,971
	Plus or Minus:		
114	Acquisition Adjustments (2)		-
115	Accumulated Amortization of Acquisition Adjustments (2)		-
	Working Capital Allowance (3)		19,240
	Other (Specify):		
105	Construction in Process		-
WATER RATE BASE			\$ 509,212
WATER OPERATING INCOME		W-3	\$ (13,203)
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			<u>-2.59%</u>

NOTES : (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

**UTILITY NAME:** Tradewinds Utilities, Inc

**SYSTEM NAME / COUNTY :** Tradewinds Utilities, Inc / Marion County

**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	\$ 184,322
469	Less: Guaranteed Revenue and AFPI	W-9	-
	Net Operating Revenues		\$ 184,322
401	Operating Expenses	W-10(a)	\$ 153,922
403	Depreciation Expense	W-6(a)	29,512
	Less: Amortization of CIAC	W-8(a)	-
	Net Depreciation Expense		\$ 29,512
406	Amortization of Utility Plant Acquisition Adjustment		-
407	Amortization Expense (Other than CIAC)		-
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		8,294
408.11	Property Taxes		1,476
408.12	Payroll Taxes		4,320
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 14,090
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		\$ 197,525
	Utility Operating Income		\$ (13,203)
	Add Back:		
469	Guaranteed Revenue (and AFPI)	W-9	\$ -
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ (13,203)

UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WATER UTILITY PLANT ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	1993 Rate Case Expense	\$ 482	\$		\$ 482
302	Franchises	925			925
303	Land and Land Rights	182,500			182,500
304	Structures and Improvements	122,472			122,472
305	Collecting and Impounding Reservoirs	0			
306	Lake, River and Other Intakes	0			
307	Wells and Springs	0			
309	Supply Mains	2,469			2,469
310	Power Generation Equipment	19,734			19,734
311	Pumping Equipment	76,013			76,013
320	Water Treatment Equipment	6,568			6,568
330	Distribution Reservoirs and Standpipes	292,464			292,464
331	Transmission and Distribution Mains	282,945			282,945
333	Services	69,852			69,852
334	Meters and Meter Installations	186,986	7,359		194,345
335	Hydrants	8,000			8,000
336	Backflow Prevention Devices	0			
339	Other Plant Miscellaneous Equipment	1,462			1,462
340	Office Furniture and Equipment	5,740			5,740
341	Transportation Equipment	800			800
342	Stores Equipment	0			
343	Tools, Shop and Garage Equipment	937			937
344	Laboratory Equipment	0			
345	Power Operated Equipment	0			
346	Communication Equipment	0			
347	Miscellaneous Equipment	0			
349	Abandonment of Regional Plant	0			
<b>TOTAL WATER PLANT</b>		<b>\$ 1,260,349</b>	<b>\$ 7,359</b>	<b>\$</b>	<b>\$ 1,267,708</b>

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WATER UTILITY PLANT MATRIX**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMIS AND DISTRIBUTION PLANT (g)
301	1993 Rate Case Expense	\$ 482	\$ 482	\$	\$	\$
302	Franchises	925	925			
303	Land and Land Rights	182,500		182,500		
304	Structures and Improvements	122,472		122,472		
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					
309	Supply Mains	2,469		2,469		
310	Power Generation Equipment	19,734		19,734		
311	Pumping Equipment	76,013		76,013		
320	Water Treatment Equipment	6,568			6,568	
330	Distribution Reservoirs and Standpipes	292,464				29
331	Transmission and Distribution Mains	282,945				28
333	Services	69,852				6
334	Meters and Meter Installations	194,345				19
335	Hydrants	8,000				
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment	1,462	1,462			
340	Office Furniture and Equipment	5,740				
341	Transportation Equipment	800				
342	Stores Equipment					
343	Tools, Shop and Garage Equipment	937				
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					
349	Abandonment of Regional Plant					
TOTAL WATER PLANT		\$ 1,267,708	\$ 2,869	\$ 403,188	\$ 6,568	\$ 84

W-4(b)  
GROUP 1

UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO.	ACCOUNT NAME	AVERAGE SERVICE LIFE IN YEARS	AVERAGE NET SALVAGE IN PERCENT	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c
(a)	(b)	(c)	(d)	(e)
301	1993 Rate Case Expense	4		25.00%
302	Franchises	29		
304	Structures and Improvements	27		3.70%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	15		6.67%
309	Supply Mains	32		3.13%
310	Power Generation Equipment	15		6.67%
311	Pumping Equipment	15		6.67%
320	Water Treatment Equipment	7		14.29%
330	Distribution Reservoirs and Standpipes	30		3.33%
331	Transmission and Distribution Mains	40		2.50%
333	Services	35		2.86%
334	Meters and Meter Installations	17		5.88%
335	Hydrants	20		5.00%
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment	6		16.67%
340	Office Furniture and Equipment	6		16.67%
341	Transportation Equipment	6		16.67%
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	15		6.67%
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
349	Abandonment of Regional Plant			
Water Plant Composite Depreciation Rate *				

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.



UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION**

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	1993 Rate Case Expense	\$ 482	\$		\$
302	Franchises	925			
304	Structures and Improvements	97,065	4,531		4,53
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes	0			
307	Wells and Springs	0			
309	Supply Mains	2,061	77		7
310	Power Generation Equipment	19,733			
311	Pumping Equipment	76,013			
320	Water Treatment Equipment	6,568			
330	Distribution Reservoirs and Standpipes	189,550	9,749		9,74
331	Transmission and Distribution Mains	195,546	7,074		7,07
333	Services	50,037	1,996		1,99
334	Meters and Meter Installations	95,657	5,442		5,44
335	Hydrants	6,460	400		40
336	Backflow Prevention Devices	0			
339	Other Plant Miscellaneous Equipment	652	244		24
340	Office Furniture and Equipment	5,739			
341	Transportation Equipment	800			
342	Stores Equipment	0			
343	Tools, Shop and Garage Equipment	936			
344	Laboratory Equipment	0			
345	Power Operated Equipment	0			
346	Communication Equipment	0			
347	Miscellaneous Equipment	0			
349	Abandonment of Regional Plant				
<b>TOTAL WATER ACCUMULATED DEPRECIATION</b>		<b>\$ 748,224</b>	<b>\$ 29,512</b>	<b>\$ 0</b>	<b>\$ 29,51</b>

\* Specify nature of transaction  
Use ( ) to denote reversal entries.

W-6(a)  
GROUP 1

UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)**

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)
301	1993 Rate Case Expense	\$ _____	_____	_____	\$ _____
302	Franchises	_____	_____	_____	_____
304	Structures and Improvements	_____	_____	_____	_____
305	Collecting and Impounding Reservoirs	_____	_____	_____	_____
306	Lake, River and Other Intakes	_____	_____	_____	_____
307	Wells and Springs	_____	_____	_____	_____
309	Supply Mains	_____	_____	_____	_____
310	Power Generation Equipment	_____	_____	_____	_____
311	Pumping Equipment	_____	_____	_____	_____
320	Water Treatment Equipment	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes	_____	_____	_____	_____
331	Transmission and Distribution Mains	_____	_____	_____	_____
333	Services	_____	_____	_____	_____
334	Meters and Meter Installations	_____	_____	_____	_____
335	Hydrants	_____	_____	_____	_____
336	Backflow Prevention Devices	_____	_____	_____	_____
339	Other Plant Miscellaneous Equipment	_____	_____	_____	_____
340	Office Furniture and Equipment	_____	_____	_____	_____
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	_____	_____	_____	_____
349	Abandonment of Regional Plant	_____	_____	_____	_____
<b>TOTAL WATER ACCUMULATED DEPRECIATION</b>		\$ <u>          0</u>	\$ <u>          0</u>	\$ <u>          0</u>	\$ <u>          0</u>

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ <u>332,247</u>
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ _____
Contributions received from Developer or Contractor Agreements in cash or property	W-8(a)	_____ 0
Total Credits		\$ _____ 0
Less debits charged during the year (All debits charged during the year must be explained below)		\$ _____
Total Contributions In Aid of Construction		\$ <u>332,247</u>

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all debits charged to Account 271 during the year below:

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UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WATER CIAC SCHEDULE "A"**

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,  
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
_____	_____	_____	\$ _____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
Total Credits			\$ _____

**ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 332,247
Debits during the year:	
Accruals charged to Account 272	\$ _____
Other debits (specify) :	_____
_____	_____
Total debits	\$ _____ 0
Credits during the year (specify) :	
_____	\$ _____ 0
Total credits	\$ _____ -
Balance end of year	\$ 332,247



UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
461.1	Metered Water Revenue: Sales to Residential Customers	449	479	141,788
461.2	Sales to Commercial Customers	55	42	39,753
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		504	521	\$ 181,541
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
Total Fire Protection Revenue		-	-	\$ -
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		504	521	\$ 181,541
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			2,781
Total Other Water Revenues				\$ 2,781
Total Water Operating Revenues				\$ 184,322

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Tradewinds Utilities, Inc

**YEAR OF REPORT**  
December 31, 2020

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 32,400	\$ 3,240	3,240
603	Salaries and Wages - Officers, Directors and Majority Stockholders	24,000	-	-
604	Employee Pensions and Benefits	4,320	432	432
610	Purchased Water	-	-	-
615	Purchased Power	10,892	10,892	-
616	Fuel for Power Production	-	-	-
618	Chemicals	959	959	-
620	Materials and Supplies	-	-	-
631	Contractual Services-Engineering	1,130	-	-
632	Contractual Services - Accounting	-	-	-
633	Contractual Services - Legal	-	-	-
634	Contractual Services - Mgt. Fees	32,400	-	-
635	Contractual Services - Testing	175	-	-
636	Contractual Services - Other	5,530	5,530	-
641	Rental of Building/Real Property	7,200	-	-
642	Rental of Equipment	-	-	-
650	Transportation Expenses	-	-	-
656	Insurance - Vehicle	-	-	-
657	Insurance - General Liability	4,560	4,560	-
658	Insurance - Workman's Comp.	-	-	-
659	Insurance - Other	-	-	-
660	Advertising Expense	-	-	-
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	-	-	-
667	Regulatory Commission Exp.-Other	-	-	-
668	Water Resource Conservation Exp.	-	-	-
670	Bad Debt Expense	114	-	-
675	Miscellaneous Expenses	\$ 30,242	-	6,464
Total Water Utility Expenses		\$ 153,922	\$ 25,613	\$ 10,136





UTILITY NAME: Tradewinds Utilities, Inc

**YEAR OF REPORT**

December 31, 2020

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE ( Omit 000's ) (b)	FINISHED WATER PUMPED FROM WELLS ( Omit 000's ) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED ( Omit 000's ) [ (b)+(c)-(d) ] (e)	WATER SOLD TO CUSTOMERS ( Omit 000's ) (f)
January	0	2,750	491	2,259	2,259
February	0	2,204	59	2,145	2,145
March	0	3,101	840	2,261	2,261
April	0	3,185	634	2,551	2,551
May	0	2,602	22	2,580	2,580
June	0	2,651	224	2,427	2,427
July	0	2,743	329	2,414	2,414
August	0	2,379	58	2,321	2,321
September	0	2,345	138	2,207	2,207
October	0	2,120	-29	2,149	2,149
November	0	2,413	239	2,174	2,174
December	0	2,626	886	1,740	1,740
Total for Year	-	31,119	3,891	27,228	27,228

If water is purchased for resale, indicate the following:

Vendor \_\_\_\_\_  
Point of delivery \_\_\_\_\_

If water is sold to other water utilities for redistribution, list names of such utilities below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SOURCE OF SUPPLY**

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Backup Well	5,000,000 *	0	Well
Backup Well	5,000,000 *	0	Well
Main Well	47,450,000 *	130,000	Well

\* Annual

UTILITY NAME: Tradewinds Utilities, Inc

YEAR OF REPORT

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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

### WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>108,500</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Flow Meter</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Liquid Chlorinated</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: _____
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: _____
Gravity (in GPM/square feet): _____	Manufacturer: _____

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential				
5/8"	Displacement	1.0	464	464
3/4"	Displacement	1.5		
1"	Displacement	2.5	32	80
1 1/4"	Displacement, Compound or Turbine	3.8		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	9	72
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				<u>616</u>

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:  

$$ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$$

ERC Calculation: 21,170,000 gallons sold / 470 average SFR Customers / 365 days	218
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UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* the system can efficiently serve. 600
2. Maximum number of ERCs \* which can be served. 600
3. Present system connection capacity (in ERCs \*) using existing lines. 470
4. Future connection capacity (in ERCs \*) upon service area buildout. 130
5. Estimated annual increase in ERCs \*. 1
6. Is the utility required to have fire flow capacity? Yes  
If so, how much capacity is required? 1500 GPM
7. Attach a description of the fire fighting facilities. Fire Truck Tank Refill, Fire Hydrants, and Commercial Sprinkler System
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. N/A
9. When did the company last file a capacity analysis report with the DEP? Dec-14
10. If the present system does not meet the requirements of DEP rules:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? NO
11. Department of Environmental Protection ID # 3424620
12. Water Management District Consumptive Use Permit # 2995
  - a. Is the system in compliance with the requirements of the CUP? Yes
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_

\* An ERC is determined based on the calculation on the bottom of Page W-13.

**WASTEWATER  
OPERATION  
SECTION**



UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**SCHEDULE OF YEAR END WASTEWATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 1,081,048
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	919,408
110	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	549,840
252	Advances for Construction	F-20	0
	Subtotal		\$ -388,200
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 538,464
	Subtotal		\$ 150,264
	Plus or Minus:		
114	Acquisition Adjustments (2)		
115	Accumulated Amortization of Acquisition Adjustments (2)		
	Working Capital Allowance (3)		23,609
	Other (Specify):		
	<b>WASTEWATER RATE BASE</b>		\$ <u>173,873</u>
	WASTEWATER OPERATING INCOME	S-3	\$ <u>1,157</u>
	ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)		<u>0.67%</u>

NOTES : (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WASTEWATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9	\$ 220,104
530	Less: Guaranteed Revenue (and AFPI)	S-9	0
Net Operating Revenues			\$ 220,104
401	Operating Expenses	S-10(a)	\$ 188,869
403	Depreciation Expense	S-6(a)	25,416
	Less: Amortization of CIAC	S-8(a)	11,376
Net Depreciation Expense			\$ 14,040
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	0
Taxes Other Than Income			
408.10	Utility Regulatory Assessment Fee		10,065
408.11	Property Taxes		1,293
408.12	Payroll Taxes		4,680
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 16,038
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 218,947
Utility Operating Income			\$ 1,157
Add Back:			
530	Guaranteed Revenue (and AFPI)	W-9	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 1,157



UTILITY NAME: Tradewinds Utilities, Inc

YEAR OF REPORT December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WASTEWATER UTILITY PLANT ACCOUNTS**

ACCT.					
NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 947	\$	\$	\$ 947
352	Franchises	3,806			3,806
353	Land and Land Rights	93,388			93,388
354	Structures and Improvements	170,068			170,068
355	Power Generation Equipment	0			0
360	Collection Sewers - Force	33,459			33,459
361	Collection Sewers - Gravity	141,888			141,888
362	Special Collecting Structures	2,531			2,531
363	Services to Customers	64,155			64,155
364	Flow Measuring Devices	1,711			1,711
365	Flow Measuring Installations	0			0
366	Reuse Services	0			0
367	Reuse Meters and Meter Installations	0			0
370	Receiving Wells	245,339			245,339
371	Pumping Equipment	0			0
374	Reuse Distribution Reservoirs	0			0
375	Reuse Transmission and Distribution System	0			0
380	Treatment and Disposal Equipment	124,447	3,969		128,416
381	Plant Sewers	156,371			156,371
382	Outfall Sewer Lines	8,821			8,821
389	Other Plant Miscellaneous Equipment	7,567			7,567
390	Office Furniture and Equipment	5,397			5,397
391	Transportation Equipment	0			0
392	Stores Equipment	0			0
393	Tools, Shop and Garage Equipment	1,135			1,135
394	Laboratory Equipment	0			0
395	Power Operated Equipment	16,049			16,049
396	Communication Equipment	0			0
397	Miscellaneous Equipment	0			0
398	Other Tangible Plant	0			0
<b>Total Wastewater Plant</b>		<b>\$ 1,077,079</b>	<b>\$ 3,969</b>	<b>\$ 0</b>	<b>\$ 1,081,048</b>

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

S-4(a)  
GROUP \_\_\_\_\_

UTILITY NAME: Tradewinds Utilities, Inc

YEAR OF REPORT  
December 31, 2020

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (f)	.1	.2	.3	.4	.5
			INTANGIBLE PLANT (g)	COLLECTION PLANT (h)	SYSTEM PUMPING PLANT (i)	TREATMENT AND DISPOSAL (j)	GENERAL PLANT (k)
351	Organization	\$ 947	\$ 947	\$	\$	\$	\$
352	Franchises	3,806	3,806				
353	Land and Land Rights	93,388		93,388			
354	Structures and Improvements	170,068		170,068			
355	Power Generation Equipment	0		0			
360	Collection Sewers - Force	33,459		33,459			
361	Collection Sewers - Gravity	141,888		141,888			
362	Special Collecting Structures	2,531		2,531			
363	Services to Customers	64,155		64,155			
364	Flow Measuring Devices	1,711		1,711			
365	Flow Measuring Installations	0		0			
366	Reuse Services	0		0			
367	Reuse Meters and Meter Installations	0		0			
370	Receiving Wells	245,339			245,339		
371	Pumping Equipment	0			0		
374	Reuse Distribution Reservoirs	0			0		
375	Reuse Transmission and Distribution System	0			0		
380	Treatment and Disposal Equipment	128,416				128,416	
381	Plant Sewers	156,371				156,371	
382	Outfall Sewer Lines	8,821				8,821	
389	Other Plant Miscellaneous Equipment	7,567		7,567			
390	Office Furniture and Equipment	5,397					5,397
391	Transportation Equipment	0					
392	Stores Equipment	0					
393	Tools, Shop and Garage Equipment	1,135					1,135
394	Laboratory Equipment	0					
395	Power Operated Equipment	16,049		16,049			
396	Communication Equipment	0					
397	Miscellaneous Equipment	0					
398	Other Tangible Plant	0					
Total Wastewater Plant		\$ 1,081,048	\$ 4,753	\$ 530,816	\$ 245,339	\$ 293,608	\$ 6,432

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

S-4(b)  
GROUP \_\_\_\_\_

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
--

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**BASIS FOR WASTEWATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C (e)
351	Organizational	29		3.45%
352	Franchises	3		33.33%
354	Structures and Improvements	27		3.70%
360	Collection Sewers - Force	27		3.70%
361	Collection Sewers - Gravity	40		2.50%
362	Special Collecting Structures	37		2.70%
363	Services to Customers	35		2.86%
364	Flow Measuring Devices	17		5.88%
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	18		5.56%
371	Pumping Equipment			
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment	15		6.67%
382	Used Plant #3	15		6.67%
389	Other Plant Miscellaneous Equipment	35		2.86%
390	Office Furniture and Equipment	6		16.67%
391	Transportation Equipment			
392	Stores Equipment			
393	Tools, Shop and Garage Equipment	15		6.67%
394	Laboratory Equipment			
395	Tractor & Mower	10		10.00%
396	Communication Equipment			
397	Miscellaneous Equipment			
398	Other Tangible Plant			
Wastewater Plant Composite Depreciation Rate *				

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Tradewinds Utilities, Inc

YEAR OF REPORT

December 31, 2020

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organizational	\$ 845	\$ 23	\$	\$ 23
352	Franchises	3,805			0
354	Structures and Improvements	131,807	5,668		5,668
355	Power Generation Equipment				0
360	Collection Sewers - Force	34,139	769		769
361	Collection Sewers - Gravity	105,513	3,153		3,153
362	Special Collecting Structures	2,532			0
363	Services to Customers	54,810	3,300		3,300
364	Flow Measuring Devices	1,710			0
365	Flow Measuring Installations	0			0
366	Reuse Services	0			0
367	Reuse Meters and Meter Installations	0			0
370	Receiving Wells	239,453	5,886		5,886
371	Pumping Equipment	0			0
375	Reuse Transmission and Distribution System	0			0
380	Treatment and Disposal Equipment	124,447	3,969		3,969
381	Plant Sewers	157,121	1,640		1,640
382	Outfall Sewer Lines	8,173	588		588
389	Other Plant Miscellaneous Equipment	7,058	420		420
390	Office Furniture and Equipment	5,396			0
391	Transportation Equipment	0			0
392	Stores Equipment	0			0
393	Tools, Shop and Garage Equipment	1,134			0
394	Laboratory Equipment	0			0
395	Power Operated Equipment	16,049			0
396	Communication Equipment	0			0
397	Miscellaneous Equipment	0			0
398	Other Tangible Plant	0			0
Total Depreciable Wastewater Plant in Service		\$ 893,992	\$ 25,416	\$ 0	\$ 25,416

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.

S-6(a) REVISED  
GROUP \_\_\_\_\_

UTILITY NAME: Tradewinds Utilities, Inc

YEAR OF REPORT December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION**

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (l)
354	Structures and Improvements	\$	\$	\$	\$ 0	\$ 868
					0	3,805
354	Structures and Improvements	\$	\$	\$	0	137,475
355	Power Generation Equipment				0	0
360	Collection Sewers - Force				0	34,908
361	Collection Sewers - Gravity				0	108,666
362	Special Collecting Structures				0	2,532
363	Services to Customers				0	58,110
364	Flow Measuring Devices				0	1,710
365	Flow Measuring Installations				0	0
366	Reuse Services				0	0
367	Reuse Meters and Meter Installations				0	0
370	Receiving Wells				0	245,339
371	Pumping Equipment				0	0
375	Reuse Transmission and Distribution System				0	0
380	Treatment and Disposal Equipment				0	128,416
381	Plant Sewers				0	158,761
382	Outfall Sewer Lines				0	8,761
389	Other Plant Miscellaneous Equipment				0	7,478
390	Office Furniture and Equipment				0	5,396
391	Transportation Equipment				0	0
392	Stores Equipment				0	0
393	Tools, Shop and Garage Equipment				0	1,134
394	Laboratory Equipment				0	0
395	Power Operated Equipment				0	16,049
396	Communication Equipment				0	0
397	Miscellaneous Equipment				0	0
398	Other Tangible Plant				0	0
Total Depreciable Wastewater Plant in Service		\$ 0	\$ 0	\$ 0	\$ 0	\$ 919,408

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.

S-6(b)  
GROUP \_\_\_\_\_

<b>YEAR OF REPORT</b> December 31, 2020
--

UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (c)
Balance first of year		\$ <u>549,840</u>
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	S-8(a)	\$ <u>0</u>
Contributions received from Developer or Contractor Agreements in cash or property	S-8(a)	<u>                    </u>
Total Credits		\$ <u>0</u>
Less debits charged during the year (All debits charged during the year must be explained below)		\$ <u>                    </u>
Total Contributions In Aid of Construction		\$ <u>549,840</u>

Explain all debits charged to Account 271 during the year below:

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UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
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SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WASTEWATER CIAC SCHEDULE "A"**

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,  
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Impact Fee	0	\$	\$ 0
Impact Fee			0
Total Credits			\$ 0

**ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 527,088
Debits during the year:	
Accruals charged to Account 272	\$ 11,376
Other debits (specify)	
Rounding	
Total debits	\$ 11,376
Credits during the year (specify)	\$
Total credits	\$ 0
Balance end of year	\$ 538,464





UTILITY NAME:

Tradewinds Utilities, Inc

YEAR OF REPORT

December 31, 2020

SYSTEM NAME / COUNTY :

Tradewinds Utilities, Inc / Marion County

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
	Flat Rate Revenues:			
521.1	Residential Revenues	_____	_____	\$ _____
521.2	Commercial Revenues	_____	_____	_____
521.3	Industrial Revenues	_____	_____	_____
521.4	Revenues From Public Authorities	_____	_____	_____
521.5	Multiple Family Dwelling Revenues	_____	_____	_____
521.6	Other Revenues	_____	_____	_____
521	Total Flat Rate Revenues	0	0	\$ 0
	Measured Revenues:			
522.1	Residential Revenues	261	262	154,890
522.2	Commercial Revenues	39	40	65,214
522.3	Industrial Revenues	_____	_____	_____
522.4	Revenues From Public Authorities	_____	_____	_____
522.5	Multiple Family Dwelling Revenues	_____	_____	_____
522	Total Measured Revenues	300	302	\$ 220,104
523	Revenues From Public Authorities	_____	_____	_____
524	Revenues From Other Systems	_____	_____	_____
525	Interdepartmental Revenues	_____	_____	_____
Total Wastewater Sales		300	302	\$ 220,104
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ _____
531	Sale of Sludge			_____
532	Forfeited Discounts			_____
534	Rents From Wastewater Property			_____
535	Interdepartmental Rents			_____
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			_____
Total Other Wastewater Revenues				\$ 0

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
--

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
	Flat Rate Reuse Revenues:			
540.1	Residential Reuse Revenues	_____	_____	\$ _____
540.2	Commercial Reuse Revenues	_____	_____	_____
540.3	Industrial Reuse Revenues	_____	_____	_____
540.4	Reuse Revenues From Public Authorities	_____	_____	_____
540.5	Other Revenues	_____	_____	_____
540	Total Flat Rate Reuse Revenues	_____	_____	\$ _____ 0
	Measured Reuse Revenues:			
541.1	Residential Reuse Revenues	_____	_____	_____
541.2	Commercial Reuse Revenues	_____	_____	_____
541.3	Industrial Reuse Revenues	_____	_____	_____
541.4	Reuse Revenues From Public Authorities	_____	_____	_____
541	Total Measured Reuse Revenues	_____	_____	\$ _____ 0
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				\$ _____ 0
Total Wastewater Operating Revenues				\$ <u>220,104</u>

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION EXPENSES- MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES MAINT (g)
701	Salaries and Wages - Employees	\$ 32,400	\$ 8,100		8,100	
703	Salaries and Wages - Officers, Directors and Majority Stockholders	24,000				
704	Employee Pensions and Benefits	4,320	1,080		1,080	
710	Purchased Sewage Treatment					
711	Sludge Removal Expense	15,250				
715	Purchased Power	20,722	10,361		10,361	
716	Fuel for Power Production					
718	Chemicals	10,328	10,328			
720	Materials and Supplies					
731	Contractual Services-Engineering	1,825	913		913	
732	Contractual Services - Accounting					
733	Contractual Services - Legal					
734	Contractual Services - Mgt. Fees	38,682				
735	Contractual Services - Testing	480				
736	Contractual Services - Other	380	190		190	
741	Rental of Building/Real Property	7,200				
742	Rental of Equipment					
750	Transportation Expenses					
756	Insurance - Vehicle					
757	Insurance - General Liability	4,560	1,140		1,140	
758	Insurance - Workman's Comp.					
759	Law Suit Settlement					
760	Advertising Expense					
766	Regulatory Commission Expenses - Amortization of Rate Case Expense					
767	Regulatory Commission Exp.-Other					
770	Bad Debt Expense					
775	Miscellaneous Expenses	28,722	2,208	377	3,807	13690
Total Wastewater Utility Expenses		\$ 188,869	\$ 34,320	\$ 377	\$	\$ 13690

UTILITY NAME:

Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
--

SYSTEM NAME / COUNTY :

Tradewinds Utilities, Inc / Marion County

**WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX**

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)
701	Salaries and Wages - Employees	\$ 8,100		8,100
703	Salaries and Wages - Officers, Directors and Majority Stockholders			
704	Employee Pensions and Benefits	1,080		1,080
710	Purchased Sewage Treatment			
711	Sludge Removal Expense			15,250
715	Purchased Power			
716	Fuel for Power Purchased			
718	Chemicals			
720	Materials and Supplies		0	
731	Contractual Services-Engineering		0	
732	Contractual Services - Accounting		0	
733	Contractual Services - Legal		0	
734	Contractual Services - Mgt. Fees	34,814	3,868	
735	Contractual Services - Testing			
736	Contractual Services - Other			
741	Rental of Building/Real Property	5,760	1,440	
742	Rental of Equipment			
750	Transportation Expenses			
756	Insurance - Vehicle			
757	Insurance - General Liability	1,140		1,140
758	Insurance - Workman's Comp.			
759	Law Suit Settlement		0	
760	Advertising Expense			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense			
767	Regulatory Commission Exp.-Other			
770	Bad Debt Expense	624		
775	Miscellaneous Expenses	4320		
Total Wastewater Utility Expenses		\$ 55,838	\$ 5,308	\$ 25,570

S-10(b)  
GROUP \_\_\_\_\_

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
--

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS**

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	253	253
3/4"	Displacement	1.5		
1"	Displacement	2.5	17	43
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	9	72
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				<u>368</u>

**CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:

$$ERC = ( \text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day} )$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

**NOTE:** Total gallons treated includes both treated and purchased treatment.

ERC Calculation:	
17,727,189 gallons sold / 305 average SFR Customers / 365 days	159

UTILITY NAME: Tradewinds Utilities, Inc

<b>YEAR OF REPORT</b> December 31, 2020
--

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**WASTEWATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity		81,000 Total	
Basis of Permit Capacity (1)			
Manufacturer	McNeil	Marlof	
Type (2)	Concrete	Concrete	
Hydraulic Capacity	65,000	50,000	
Average Daily Flow	30,000	30,000	
Total Gallons of Wastewater Treated	10,950,000	10,950,000	
Method of Effluent Disposal		Spray Field	

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Tradewinds Utilities, Inc

SYSTEM NAME / COUNTY : Tradewinds Utilities, Inc / Marion County

**OTHER WASTEWATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

- 1. Present number of ERCs\* now being served \_\_\_\_\_ 218 \_\_\_\_\_
- 2. Maximum number of ERCs\* which can be served \_\_\_\_\_ 275 \_\_\_\_\_
- 3. Present system connection capacity (in ERCs\*) using existing lines \_\_\_\_\_ 57 \_\_\_\_\_
- 4. Future connection capacity (in ERCs\*) upon service area buildout \_\_\_\_\_ 275 \_\_\_\_\_
- 5. Estimated annual increase in ERCs\* \_\_\_\_\_ 1 \_\_\_\_\_
- 6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
 \_\_\_\_\_ NONE \_\_\_\_\_  
 \_\_\_\_\_
- 7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. \_\_\_\_\_ N/A \_\_\_\_\_
- 8. If the utility does not engage in reuse, has a reuse feasibility study been completed? \_\_\_\_\_ NO \_\_\_\_\_  
 If so, when? \_\_\_\_\_
- 9. Has the utility been required by the DEP or water management district to implement reuse? \_\_\_\_\_ NO \_\_\_\_\_  
 If so, what are the utility's plans to comply with this requirement? \_\_\_\_\_  
 \_\_\_\_\_
- 10. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_ N/A \_\_\_\_\_
- 11. If the present system does not meet the requirements of DEP rules:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? \_\_\_\_\_ N/A \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? \_\_\_\_\_ NO \_\_\_\_\_
- 12. Department of Environmental Protection ID # \_\_\_\_\_ FLA010699-001 \_\_\_\_\_

\* An ERC is determined based on the calculation on S-11.

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Water Operations  
Class A & B**

Company: *Tradewinds Utilities, Inc.*  
For the Year Ended December 31, \_\_\_\_ 2019

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. W-9	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ _____	\$ _____	\$ _____
Total Metered Sales (461.1 - 461.5)	181,541	181,541	
Total Fire Protection Revenue (462.1 - 462.2)	_____	_____	
Other Sales to Public Authorities (464)	_____	_____	
Sales to Irrigation Customers (465)	_____	_____	
Sales for Resale (466)	_____	_____	
Interdepartmental Sales (467)	_____	_____	
Total Other Water Revenues (469 - 474)	2,781	2,781	
<b>Total Water Operating Revenue</b>	<b>184,322</b>	<b>184,322</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Water Operating Revenues</b>	<b>184,322</b>	<b>184,322</b>	<b>0</b>

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule W-9 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).



**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations  
Class A & B**

**Company: Tradewinds Utilities, Inc.**  
**For the Year Ended December 31, \_\_\_ 2018**

(a)	(b)	(c)	(d)
<b>Accounts</b>	<b>Gross Wastewater Revenues Per Sch. S-9</b>	<b>Gross Wastewater Revenues Per RAF Return</b>	<b>Difference (b) - (c)</b>
Gross Revenue:			
Total Flat-Rate Revenues (521.1 - 521.6)	\$ _____	\$ _____	\$ _____
Total Measured Revenues (522.1 - 522.5)	220,104	220,104	_____
Revenues from Public Authorities (523)	_____	_____	_____
Revenues from Other Systems (524)	_____	_____	_____
Interdepartmental Revenues (525)	_____	_____	_____
Total Other Wastewater Revenues (530 - 536)	_____	_____	_____
Reclaimed Water Sales (540.1 - 544)	_____	_____	_____
<b>Total Wastewater Operating Revenue</b>	<b>220,104</b>	<b>220,104</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Wastewater Operating Revenues</b>	<b>220,104</b>	<b>220,104</b>	<b>0</b>

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule S-9 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**BFF Corp.**

**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**

(Gross Revenue of Less Than \$200,000 Each)

**ANNUAL REPORT**

OF

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Public Service Commission  
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SU595-20-AR  
Charles de Menzes  
BFF Corp.  
P. O. Box 5220  
Ocala, FL 34478-5220

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Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED  
December 31, 2020

*Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations  
Class C*

*Company: BFF Corp*

*For the Year Ended December 31, 2013*

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	87,565.50	87,565.50	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	533.42	533.42	_____
<b>Total Wastewater Operating Revenue</b>	<b>88,098.92</b>	<b>88,098.92</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	<b>25,958.00</b>	<b>25,958.00</b>	<b>_____</b>
<b>Net Wastewater Operating Revenues</b>	<b>62,140.92</b>	<b>62,140.92</b>	<b>\$ _____</b>

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule F-3 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

UTILITY NAME **BFF CORP.**

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**REPORT OF**

**BFF CORP.**  
**PO BOX 5220**  
**OCALA, FL 34478-5220**

1552 SW 7th Road    MARION COUNTY

Telephone Number 352-622-4949

Date Utility First Organized    Sep-83

Fax Number 352-732-4366

E-Mail Address **charlie@altfo.com**

Sunshine State One-Call of Florida, Inc. Member No. **MIR598**

Filed with the Internal Revenue Service as 1120S Corporation

Name, Address and phone where records are located    1552 SW 7th Road    Ocala, FL 34471  
 (352) 622-4949

Subdivision where service is provided:    Sandlin Woods, Village of Ascot Heath, Forrest Villas I & II

**CONTACTS**

Name	Title	Principal Business Address	Salary Charged
Person to send Correspondence Charles deMenzes	President	PO Box 5220 Ocala, FL 34478	
Person who prepared this report Charles deMenzes	President	PO Box 5220 Ocala, FL 34478	18,000
Officers and Managers  Charles deMenzes	President	PO Box 5220 Ocala, FL 34478	18,000
Deborah Dillon	VP/Manager	Same	

Report every Corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility.

Name	Percent of Ownership in Utility	Principal Business Address	Salary Charged
Charles deMenzes Revocable Trust	100%	PO Box 5220 Ocala, FL 34478	

BFF CORP.

# FINANCIAL SECTION

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
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INCOME STATEMENT

ACCOUNT NAME	REF Page	WATER N/A	WASTEWATER	OTHER	TOTAL COMPANY
Gross Revenue					
Residential			87,566		87,566
Commercial					
Other (Write offs)					-
Turn on Charges			533		533
<b>Total Gross Revenue</b>			<b>88,099</b>		<b>88,099</b>
Operation Expense (Must tie to Pages W-3 & S-3)	W-3 S-3		94,284		94,284
Depreciation Expense	F-5		8,412		8,412
CIAC Amortization Expense	F-8		(1,287)		(1,287)
Plant Abandonment Amortization					-
Taxes other than Income	F-7		2,795		2,795
<b>Total Operating Expenses</b>			<b>104,204</b>		<b>104,204</b>
Net Operating Income (Loss)			(16,105)		(16,105)
Other Income: Non Utility Income					
Other Deductions:					
Interest Expense			209		209
Other Expenses			120		120
Loan Cost Amortization					-
<b>Net Income (Loss)</b>			<b>(16,434)</b>		<b>(16,434)</b>



UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
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REVISED  
COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105)	F-5,W-1,S-1	271,771	264,621
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-2	(204,909)	(196,497)
Net Utility Plant:		66,862	68,124
Cash		2,562	1,115
Customer Accts Receivable (141)		8,224	7,957
Other Assets			407
Utility Deposit			
Unamortized Debt Discount		-	
Retired Assets, Net of Amortization			
Total Assets		77,648	77,603
Liabilities & Capital			
Common Stock Issued (201)	F-6	1,000	1,000
Stockholder Loan			
Other Paid in Capital (211)		392,105	395,105
Retained Earnings (215)	F-6	(357,280)	(340,846)
Total Capital		35,825	55,259
Long Term Debt (224)	F-6	12,500	
Accounts Payable (231)		7,415	
Notes Payable (232)			
Customer Deposits (235)		6,360	5,400
Accrued Taxes (236)		124	2,575
Other Liabilities (Specify)			164
Stockholder Loan			120
Contributions in Aid of Construction-Net (271-272)	F-8	15,244	14,085
Total Liabilities & Capital		77,468	77,603

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
------------------------------------

GROSS UTILITY PLANT

Plant Accounts (101-107) Inclusive	Water N/A	Wastewater	Total
Utility Plant in Service (101)		264,621	264,621
Additions to Plant		7,150	7,150
Total Utility Plant		271,771	271,771

ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Account (108)	Water N/A	Wastewater	Total
Balance first of Year		196,497	196,497
Add Credits During Year			
Accruals charged to Depreciation Account		8,412	8,412
Total Credits		8,412	8,412
Deduct Debits During Year			
Balance End of year		204,909	204,909

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
------------------------------------

CAPITAL STOCK (201-204)

	Common Stock	Preferred Stock
Par or stated value per share	1.00	
Shares authorized	1,000	
Shares issued and outstanding	1,000	
Total par value of stock issued	1,000	
Dividends declared per share for year	-	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year		(340,846)
Changes during the year (specify)		
Less Current Year operating profit		(16,434)
Balance End of year		(357,280)

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest Rate	Pymts	Principal per Balance Sheet Date
			-
Total			-

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31, 2020
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TAXES PAID

	Water N/A (b)	Wastewater ©	Other (d)	Total (e)
Income Taxes:				-
Federal income tax _____				-
State income Tax _____				-
Taxes Other Than Income:				-
State ad valorem tax _____				-
Payroll Tax Expense _____				-
Other tax _____				-
Regulatory assessment fee _____		2,795		2,795
Other (Specify) _____				-
_____				-
_____				-
<b>Total Tax Expense</b>	0	2,795	-	2,795

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever, amounting to \$500 or more.

Name of Recipient	Water Amount N/A	Wastewater Amount	Description of Service
MIRA International, Inc.	N/A	9,000	Management & Maintenance Accounting Fees

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
------------------------------------

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater ©	Total (d)
1) Balance first of year		39,416	39,416
2) Add Credits during year			
3) Total		39,416	39,416
5) Balance end of year		41,036	41,036
6) Less Accumulated Amortization		(15,372)	(15,372)
7) Net CIAC		25,664	25,664

ACCUMULATED AMORTIZATION OF CIAC

	Water N/A	Wastewater	Total
Balance First of Year		14,085	14,085
Add Credits During Year		1,287	1,287
Deduct Debits During Year			
Balance End of Year (must agree with line #6 above)		15,372	15,372

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
------------------------------------

Schedule "A"

Schedule of Cost of Capital used for AFUDC Calculation

**N/A**

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31, 2020
-------------------------------------

Schedule "B"

Schedule of Capital Structure Adjustments

**N/A**

UTILITY NAME BFF Corp.

# WATER OPERATING SECTION

N/A



BFF CORP.

# WASTEWATER OPERATING SECTION

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
------------------------------------

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT NO. (a)	ACCOUNT DESCRIPTION (b)	PREVIOUS YEAR ©	ADDITIONS (d)	DELETIONS (e)	CURRENT YEAR (f)
350	UNAMORTIZED DEBT DISCOUNT	-			-
351	ORGANIZATION	2,411			2,411
352	FRANCHISES	-			-
353	LAND AND LAND RIGHTS	1,579			1,579
354	STRUCTURES & IMPROVEMENTS	8,240			8,240
360	FORCE MAIN COLLECTION LINES	117,528			117,528
361	GRAVITY FEED COLLECTION LINES	77,795			77,795
362	SPECIAL COLLECTION STRUCTURES	18,168			18,168
363	SERVICES	6,219			6,219
365	FLOW MEASURING DEVICE	383	7,150		7,533
370	RECEIVING WELLS (MANHOLES & LIFT STATIONS)	32,298			32,298
380	TREATMENT & DISPOSAL EQUIP	-			-
382	OUTFALL SEWER LINES	-			-
389	OTHER PLANT & MISC EQUIPMENT				
398	PSC ADJUSTMENT				
	TOTALS	264,621	7,150	-	271,771

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

ACCT NO.	ACCOUNT DESCRIPTION	AVERAGE SERVICE LIFE	DEPR RATE APPLIED	ACCUM BALANCE PREV YR	DEBITS	CREDITS	ACCUM DEPR BALANCE
(a)	(b)	©	(d)	(e)	(f)	(g)	(h)
351	ORGANIZATION	40	2.5000	1,593		60	1,653
354	STRUCTURES & IMPROV	27	3.7037	4,830		305	5,135
360	FORCE MAIN COLL LINES	27	3.7037	80,586		4,352	84,938
361	GRAVITY FEED COLL LINES	40	2.5000	75,683		1,944	77,627
362	SPECIAL COLL STRUCTURES	37	2.7027	9,019		491	9,510
363	SERVICES	35	2.8571	4,117		177	4,294
365	FLOW MEASURING DEVICE	35	2.8751	209		11	220
370	RECEIVING WELLS (MH & LIFT STATIONS)	25	4.0000	20,460		1,072	21,532
380	TREATMENT & DISP EQUIP	18	5.5556	-			-
382	OUTFALL SEWER LINES	18	5.5556	-			-
398	PSC AUDIT ADJUSTMENT			-			-
	TOTALS			196,497		8,412	204,909

UTILITY NAME **BFF CORP.**

YEAR OF REPORT  
December 31,2020

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

ACCT NO.	ACCOUNT NAME	AMOUNT
701	SALARIES & WAGES EMPLOYEES	18,000
703	SALARIES & WAGES OFFICERS	18,000
710	PURCHASE WASTEWATER TREATMENT Utilities Inc.	25,958
711	SLUDGE REMOVAL EXPENSE	6,620
715	PURCHASED POWER	2,278
720	MATERIALS AND SUPPLIES	540
731	CONTRACTUAL SERVICES - PROFESSIONAL	1,445
735	CONTRACTUAL SERVICES - TESTING	
736	CONTRACTUAL SERVICES - MIRA	9,000
755	INSURANCE	120
770	BAD DEBT EXPENSE	120
770	BANK SERVICE CHARGES	2,721
775	MISCELLANEOUS EXPENSE	3,602
775	MAINTENANCE EXPENSE	5,880
	<b>TOTAL OPERATION AND MAINTENANCE EXPENSE</b>	<b>94,284</b>

WASTEWATER CUSTOMERS

DESCRIPTION (a)	TYPE OF METER (b)	EQUIVALENT FACTOR ©	NUM OF ACTIVE CUSTOMERS START OF YR (d)	END OF YR (e)	TOT NUMER OF EQUIVALENT (c x e)
5/8"	D	1.0	108	108	108
3/4"	D	1.5			0
1"	D	2.5			0
2"	D	8.0			0
		<b>TOTAL</b>	<b>108</b>	<b>108</b>	<b>108</b>

UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
------------------------------------

PUMPING EQUIPMENT

Lift Station Number	1	2	3
Name or Type and Nameplate data of pump	Peabody Barnes	Peabody Barnes	Peabody Barnes
Year Installed			
Rated Capacity			
Size			
Power	Electric	Electric	Electric
Nameplate Data of Motor			

SERVICE CONNECTIONS

Size (inches)
Type
Average Length
Number of Active Service Connections
Beginning of Year
Added during Year
Retired during Year
End of Year

COLLECTING AND FORCE MAINS

	Collecting Mains	Force Mains
Size (inches)	8"	4"
Type of Main	PVC	PVC
Length of Main (nearest foot)		
Beginning of Year	8189	9563
Added during Year	0	0
Retired during Year	0	0
End of Year	8189	9563
Age	30 years	avg 15 years

MANHOLES

Size (inches)	48"	30 years old
Number of Manholes	Concrete	
Beginning of Year	32	
Added during Year	0	
Retired during Year	0	
End of Year	32	

UTILITY NAME **BFF CORP.**

YEAR OF REPORT  
December 31, 2020

TREATMENT PLANT

Manufacturer
Type
Total Capacity
Average Daily flow
Total Gallons of Sewage treated

MASTER LIFT STATION PUMPS

Manufacturer	
Capacity	
Motor: Mfr	
Horsepower	7.5 HP
Power (Electric or Mechanical)	Electric

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January	475,326	0	475,326
February	575,960	0	575,960
March	551,710	0	551,710
April	557,760	0	557,760
May	458,870	0	458,870
June	570,340	0	570,340
July	580,120	0	580,120
August	446,375	0	446,375
September	627,610	0	627,610
October	599,865	0	599,865
November	452,720	0	452,720
December	484,070	0	484,070
Total for Year	6,380,726	0	6,380,726

If Wastewater is Purchased, indicate the vendor	<u>Utilities Inc of Florida</u>
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UTILITY NAME **BFF CORP.**

YEAR OF REPORT December 31,2020
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GENERAL WASTEWATER SYSTEM INFORMATION

1. Present Number of ERC's \* being served 101
2. Maximum ERC's \*\* that system can efficiently serve 150
3. Present system connection capacity (in ERC'S) using existing lines. 150
4. Future connection capacity (in ERC'S) upon service area buildout. 49
5. Estimates annual increase in ERC'S \* 1
6. Discribe any plans and estimated completion date for any enlargements of this system. None at this time
7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known.
8. If the utility does not engage in reuse, has the reuse feasibility study been completed? No  
If so, when? \_\_\_\_\_
9. Has the utility been required by the DEP or water management district to implement reuse? No
10. When did the company last file a capacity analysis report with DEP? 1999
11. If present systems do not meet the requirements of DEP rules, submit the following:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP?
  - c. When will construction begin?
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? No
12. Department of Environmental Protection I.D. # FLA 012678

\* ERC = (Total Gallons Treated / 365 days / 280 Gallons per Day

Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.

\*\* Total plant capacity/280 gallons

UTILITY NAME **BFF CORP.**

YEAR OF REPORT  
December 31,2020

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

YES NO

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.

YES NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES NO

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified

1. 2. 3. 4. *Charles de Meneses*

(signature of chief executive officer of the utility)

1. 2. 3. 4. \_\_\_\_\_

(signature of chief financial officer of the utility)

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTICE: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.



**C.F.A.T. H2O, Inc.**

**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**  
(Gross Revenue of Less Than \$200,000 Each)

**ANNUAL REPORT**

OF

WS719-20-AR  
Charles de Menzes  
C.F.A.T. H2O, Inc.  
P. O. Box 5220  
Ocala, FL 34478-5220

**OFFICIAL COPY**  
**Public Service Commission**  
**Do Not Remove From This Office**

2021 JUN 09 PM 0:23  
Public Service Commission

Submitted To The

**STATE OF FLORIDA**

**PUBLIC SERVICE COMMISSION**

FOR THE

YEAR ENDED  
12/31/2020

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Water Operations  
Class C**

**Company: CFAT H2O, Inc**

**For the Year Ended December 31 2018**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	87,581	87,581	\$ _____
Commercial	6,237	6,237	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	6,251	6,251	_____
<b>Total Water Operating Revenue</b>	<b>100,069</b>	<b>100,069</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Water Operating Revenues</b>	<b>100,069</b>	<b>100,069</b>	<b>\$ _____</b>

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations  
Class C**

**Company: CFAT H20, Inc**

**For the Year Ended December 31 2018**

(a)	(b)	(c)	(d)
<b>Accounts</b>	<b>Gross Wastewater Revenues Per Sch. F-3</b>	<b>Gross Wastewater Revenues Per RAF Return</b>	<b>Difference (b) - (c)</b>
Gross Revenue:			
Residential	87,601	87,601	\$ _____
Commercial	27,186	27,186	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
<b>Total Wastewater Operating Revenue</b>	<b>114,787</b>	<b>114,787</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Wastewater Operating Revenues</b>	<b>114,787</b>	<b>114,787</b>	<b>\$ _____</b>

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule F-3 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**C.F.A.T. H2o, INC.**

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Verification Section

Page

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REPORT OF

**CFAT H2O, INC.**  
**PO BOX 5220**  
**OCALA, FL 34478-5220**

1552 SW 7th Road    MARION COUNTY

Sunshine State One-Call of Florida, Inc. Member No. **MIR598**

Telephone Number 352-622-4949

Date Utility First Organized

10/28/2003

Filed with the Internal Revenue Service as 1120S Corporation

Name, Address and phone where records are located

1552 SW 7th Road    Ocala, FL 34471

Florida (352) 622-4949 c/o Tradewinds Utilities, Inc.

Subdivision where service is provided: **Landfair and Hilltop Manor**

CONTACTS

Name	Title	Principal Business Address	Salary Charged
Person to send Correspondence Charles deMenzes	President	P.O. Box 5220 Ocala, FL 34478	0
Person who prepared this report Charles deMenzes	President	P.O. Box 5220 Ocala, FL 34478	20,000
Officers and Managers			
Charles deMenzes	President	P.O. Box 5220 Ocala, FL 34478	25,000
Deborah Dillon	Vice Pres	P.O. Box 5220 Ocala, FL 34478	20,000

Report every Corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility.

Name	Percent of Ownership in Utility	Principal Business Address	Salary Charged
Charles deMenzes Revocable Trust	100	P.O. Box 5220 Ocala, FL 34478	0

C.F.A.T.H2o, INC.

# FINANCIAL SECTION

## INCOME STATEMENT

ACCOUNT NAME	REF Page	WATER	WASTEWATER	OTHER	TOTAL COMPANY
Gross Revenue					
Residential		87,581	87,601		175,182
Commercial		6,237	27,186		33,423
Other (specify)		6,251			6,251
Turn on Charges					
<b>Total Gross Revenue</b>		<b>100,069</b>	<b>114,787</b>		<b>214,856</b>
Operation Expense (Must tie to Pages W-3 & S-3)	W-3 S-3	68,340	109,385		177,725
Depreciation Expense	F-5	24,702	15,139		39,841
Amortization Expense	F-8	(5,568)	(9,000)		(14,568)
Taxes other than Income	F-7	1,200	1,572		2,772
Reg Assessment Fees	F-7	4,506	5,244		9,750
<b>Total Operating Expenses</b>		<b>93,180</b>	<b>122,340</b>		<b>215,520</b>
Net Operating Income (Loss)		6,889	(7,553)		(664)
Other Income: Non Utility Income					
Other Deductions:					
Interest Expense			1,886		1,886
Amort of Loan Costs					-
Amort of Rate Case Exp					-
<b>Net Income (Loss)</b>		<b>6,889</b>	<b>(9,439)</b>		<b>(2,550)</b>



UTILITY NAME **CFAT H2O, 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	1,008,218	993,562
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-2	(692,597)	(652,756)
Net Utility Plant:		315,621	340,806
Cash		2,350	1,393
Customer Accts Receivable (141)		24,429	21,965
Other Assets			1,054
Utility Deposit		2,040	2,040
Prepaid Rate Cse Expense			
Plant Held for Future Use		4,250	4,250
Acquisition Adjustment, net		30,520	33,921
Total Assets		379,210	405,429
Liabilities & Capital			
Common Stock Issued (201)	F-6	200	200
Preferred Stock Issued (204)	F-6		
Other Paid in Capital (211)		564,882	581,482
Retained Earnings (215)	F-6	(358,228)	(353,494)
Total Capital		206,854	228,188
Long Term Debt (224)	F-6	39,800	50,000
Accounts Payable (231)			31,672
Notes Payable (232)			
Customer Deposits (235)		33,529	34,099
Accrued Taxes (236)		(198)	
Other Liabilities (Specify) PSC Fee		9,669	9,341
Refund Checks Returned		1,522	1,520
FFB Credit Line			-
Management Fee Payable		51,993	
Contributions in Aid of Construction-Net (271-272)	F-8	36,041	50,609
Total Liabilities & Capital		379,210	405,429

GROSS UTILITY PLANT

Plant Accounts (101-107) Inclusive	Water	Wastewater	Total
Utility Plant in Service (101)	577,251	411,633	988,884
ADDITIONS	12,120	7,214	19,334
			-
			-
			-
			-
Total Utility Plant	589,371	418,847	1,008,218

ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Account (108)	Water	Wastewater	Total
Balance first of Year	352,137	300,619	652,756
Add Credits During Year	24,702	15,139	39,841
Accruals charged to Depreciation Account			-
Total Credits	376,839	315,758	692,597
Deduct Debits During Year			-
			-
Balance End of year	376,839	315,758	692,597

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
-------------------------------------

CAPITAL STOCK (201-204)

	Common Stock	Preferred Stock
Par or stated value per share	1.00	
Shares authorized	200	
Shares issued and outstanding	200	
Total par value of stock issued	200	
Dividends declared per share for year	-	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year		(353,494)
Changes during the year (specify) per Auditor Report Less Current Year operating profit		(4,734)
Accounting transfer to Capital Acct		
Balance End of year		(358,228)

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Rate	Interest Pymts	Principal per Balance Sheet Date
First Federal Bank (Credit Line)	6%		24,800
CEP Grant			15,000
Total			39,800

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
-------------------------------------

TAX EXPENSE

	Water (b)	Wastewater ©	Other (d)	Total (e)
Income Taxes:				-
Federal income tax_____				
State income Tax_____				
Taxes Other Than Income:				-
County ad valorem tax_____	1,200	1,572		2,772
Payroll Tax Expense_____				-
Other tax_____				-
Regulatory assessment fee____	4,506	5,165		9,671
Other (Specify)_____				
_____				
_____				
<b>Total Tax Expense</b> _____	<b>5,706</b>	<b>6,737</b>		<b>12,443</b>

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever, amounting to \$500 or more.			
Name of Recipient	Water Amount	Wastewater Amount	Description of Service
MIRA International, Inc.	24,000	24,000	Management & Maintenance
Steve GS	3220	7,220	Plant operation
CVPA	1006	1,006	Accounting Fees

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater ©	Total (d)
1) Balance first of year	132,796	262,882	395,678
2) Add Credits during year			-
3) Total	132,796	262,882	395,678
4) Deduct charges during year			
5) Balance end of year	132,796	262,882	395,678
6) Less Accumulated Amortization	(115,407)	(244,230)	(359,637)
7) Net CIAC	17,389	18,652	36,041

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year	(109,839)	(235,230)	(345,069)
Add Credits During Year	(5,568)	(9,000)	(14,568)
Deduct Debits During Year			
Balance End of Year (must agree with line #6 above)	(115,407)	(244,230)	(359,637)

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
-------------------------------------

Schedule "A"

Schedule of Cost of Capital used for AFUDC Calculation

N/A

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
-------------------------------------

Schedule "B"

Schedule of Capital Structure Adjustments

**N/A**

C.F.A.T.H<sub>2</sub>O, INC.

# WATER OPERATING SECTION



UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
-------------------------------------

WATER UTILITY PLANT ACCOUNTS

ACCT NO. (a)	ACCOUNT DESCRIPTION (b)	PREVIOUS YEAR ©	ADDITIONS (d)	DELETIONS (e)	CURRENT YEAR (f)
300	Fixed Assets	4,548	2,814		7,362
302	FRANCHISES	-			-
303	LAND AND LAND RIGHTS	19,500			19,500
304	STRUCTURE AND IMPROVEMENTS	3,154			3,154
307	WELL AND SPRINGS	38,888			38,888
310	POWER GENERATION EQUIPMENT	22,587			22,587
311	PUMPING EQUIPMENT	116,510	6,855		123,365
320	WATER TREATMENT EQUIPMENT	13,314			13,314
330	DIST RESERVOIR & STANDPIPES	201,106			201,106
331	TRANSMISSION & DISTRIBUTION MAINS	83,968			83,968
333	SERVICES	15,635			15,635
334	METER AND METER INSTALLATIONS	55,813	2,451		58,264
339	OTHER PLANT AND MISC EQUIPMENT	2,021			2,021
343	TOOL SHOP AND GARAGE EQUIPMENT	207			207
	TOTALS	577,251	12,120	-	589,371

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

ACCT NO.	ACCOUNT DESCRIPTION	AVERAGE SERVICE LIFE	DEPR RATE APPLIED	ACCUM BALANCE PREV YR	DEBITS	CREDITS	ACCUM DEPR BALANCE
(a)	(b)	©	(d)	(e)	(f)	(g)	(h)
301	ORGANIZATIONAL	5	20.0000				-
302	FRANCHISES	29	3.4483				-
304	STRUCTURES & IMPROV	27	3.7037	990		117	1,107
307	WELL PUMPS (15HP)	27	3.7037	25,167		1,440	26,607
310	POWER GENERATION EQ	15	6.6667	21,160		1,506	22,666
311	PUMPING EQUIPMENT	15	6.6667	100,798		8,224	109,022
320	WATER TREATMENT EQ	11	9.0909	12,678		1,210	13,888
330	DISTRIBUTION RESERVOIR	30	3.3333	97,789		6,703	104,492
331	TRANS & DIST MAINS	40	2.5000	47,333		2,099	49,432
333	SERVICES	35	2.8571	13,382			13,382
334	METERS & METER INSTAL	17	5.8824	32,632		3,427	36,059
335	HYDRANTS	40	2.5000	-			-
339	OTHER PLANT & MISC EQ	20	5.0000				-
340	OFFICE FURNITURE & EQ	6	16.6667	-			-
341	TRANSPORTATION EQ	5	20.0000	-		(26)	(26)
343	TOOL,SHOP & GARAGE	15	6.6667	207			207
	TOTALS			352,136	-	24,702	376,838

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
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WATER OPERATION AND MAINTENANCE EXPENSE

ACCT NO.	ACCOUNT NAME	AMOUNT
603	SALARIES & WAGES OFFICERS	27,000
615	PURCHASED POWER	3,543
616	FUEL FOR POWER PRODUCTION	109
618	CHEMICALS	500
631	CONTRACTUAL EXPENSE (ENGINEERING, ACCOUNTING)	
630	CONTRACTUAL EXPENSE BILLING	24,000
635	CONTRACTUAL SERVICES - OPERATIONS	3,385
635	CONTRACTUAL SERVICES - TESTING	175
655	OFFICE SUPPLIES	1,027
670	BAD DEBT EXPENSE	426
675	BANK SERVICE CHARGES	3,009
675	MAINTENANCE EXPENSE	2,049
675	MISCELLANEOUS EXPENSE	2,117
675	Dep Exp	1,000
	<b>TOTAL OPERATION AND MAINTENANCE EXPENSE</b>	<b>68,340</b>

WATER CUSTOMERS

DESCRIPTION (a)	TYPE OF METER (b)	EQUIVALENT FACTOR ©	NUM OF ACTIVE CUSTOMERS START OF YR (d)	CUSTOMERS END OF YR (e)	TOT NUMER OF EQUIVALENT (c x e)
5/8"	D	1.0	217	232	232
3/4"	D	1.5		3	
1"	D	2.5	4	4	10
2"	D	8.0			
		<b>TOTAL</b>	<b>221</b>	<b>239</b>	<b>242</b>

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased for Resale (omit 000) (b)	Finished water from Wells (omit 000) ©	Accounted for loss thru line flushing etc. (omit 000) (d)	Total Water Pumped and Purchased (omit 000) (e)	Water sold to Customers (omit 000) (f)
January	None	818	-	818	818
February	"	748	-	748	748
March	"	798	-	798	798
April	"	836	-	836	836
May	"	821	-	821	821
June	"	901	-	901	901
July	"	949	-	949	949
August	"	749	-	749	749
September	"	831	-	831	831
October	"	816	-	816	816
November	"	897	-	897	897
December	"	775	-	775	775
Total for Year	None	9,939	-	9,939	9,939

MAINS (Feet)

Kind of Pipe	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC - 16 years	6"	4270	0	0	4270
PVC - 16 years	4"	4210	0	0	4210
PVC - 16 years	8"	13360	0	0	13360

WELLS AND WELL PUMPS

(a)	(b)	©	(d)
Year Constructed	1989	2006	
Type fo well construction and casing.	Steel Grouted	Steel Grouted	
Depth of Wells	160'	160'	
Diameters of Wells	8"	8"	
Pump GPM	250	250	
Motor HP	10	10	
Yields of Wells in GPD	15,000	15,000	
Auxiliary Power	Diesel Gen	Diesel Gen	

RESERVOIRS

(a)	(b)	©	
Description	Steel	Steel	
Capacity of Tank	20,000	200,000	
Ground or Elevated	Ground	Ground	

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT  
December 31, 2020

SOURCE OF SUPPLY

List for each source of supply:	
Gals. per day of source	100,000
Type of Source	Well

WATER TREATMENT FACILITIES

List for each water treatment facility:	
Type	Liquid Chlorinated
Make	VT 100
Gals per day	100,000
Method of Measurement	Flow meter

**OTHER WATER SYSTEMS INFORMATION**

Furnish information below for each system not physically connected with another facility.

1. Present ERC's \* now being served **227**
2. Maximum ERC's \* that system can efficiently serve **250**
3. Present system connection capacity (in ERC's) using existing lines **250**
4. Future connection capacity (in ERC's) upon service area buildout **350**
5. Estimated annual increase in ERC's **2**
6. List fire fighting facilities and capacities **200,000 Gal Ground Storage Tank & Triplex Pumps**
7. Attach a description of the fire fighting facilities = **one (1) Hydrant at a gas station.**
8. What is the current need for system upgrading and/or expansion? **NONE**
9. When did the company last file a capacity analysis report with the DEP? **Unknown**
10. If the present system does not meet the requirements of DEP rules, submit the following:
  - a. Attach a description of the Plant upgrade necessary to meet DEP rules.
  - b. Have these plans been approved by DEP
  - c. When will construction begin
  - d. Attach plans for funding the required upgrades
  - e. Is this system under a Consent Order with DEP **NO**
11. Department of Environmental Protection ID #. **3424620**
12. Water Management District ID # **2-83-0220AN**
  - a. Is the system in compliance with the requirements of the CUP? **YES**
  - b. If not, what are the utility's plans to gain compliance

\* ERC = (Total Gallons Sold / 365 days / 350 Gallons per Day  
\*\* TOTAL PLANT CAPACITY / 350

C.F.A.T.H<sub>2</sub>O, INC.

SEWER  
OPERATING  
SECTION



UTILITY NAME **CFAT H2O, INC.**

<p>YEAR OF REPORT December 31, 2020</p>
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SEWER UTILITY PLANT ACCOUNTS

ACCT NO. (a)	ACCOUNT DESCRIPTION (b)	PREVIOUS YEAR ©	ADDITIONS (d)	DELETIONS (e)	CURRENT YEAR (f)
350	FIXED ASSETS	2,500			2,500
352	FRANCHISES	2,062			2,062
353	LAND & LAND RIGHTS	39,000			39,000
354	STRUCTURES AND IMPROVEMENTS	36,667	802		37,469
360	FORCE MAIN COLL LINES	81,058			81,058
361	GRAVITY FEED COLL LINES	45,657			45,657
362	SPECIAL COLL STRUCTURES	17,856			17,856
363	SERVICES TO CUSTOMERS	8,500			8,500
364	FLOW MEASURING DEVICES	90			90
365	FLOW MEASURING INSTALLATIONS	5,610			5,610
370	RECEIVING WELL - MANHOLES, LIFT STATIONS	150,086	6,412		156,498
380	TREATMENT AND DISPOSAL EQ	22,547			22,547
389	OTHER PLANT & MISC EQUIP	-			-
390	OFFICE FURNITURE & EQUIP	-			-
393	TOOLS, SHOP & GARAGE EQUIP	-			-
	TOTALS	411,633	7,214		418,847

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT -SEWER

ACCT NO.	ACCOUNT DESCRIPTION	AVERAGE SERVICE LIFE	DEPR RATE APPLIED	ACCUM BALANCE PREV YR	DEBITS	CREDITS	ACCUM DEPR BALANCE
(a)	(b)	©	(d)	(e)	(f)	(g)	(h)
351	ORGANIZATIONAL	5	20.0000	2,500			2,500
352	FRANCHISES	3	33.3333	2,062			2,062
354	STRUCTURES AND IMPROV	27	3.7037	9,821		1,388	11,209
360	FORCE MAIN COLL LINES	27	3.7037	61,479		3,002	64,481
361	GRAVITY FEED COLL LINES	40	2.5000	36,301		1,141	37,442
362	SPECIAL COLL STRUCTURES	35	2.8571	14,943		510	15,453
363	SERVICES TO CUSTOMERS	35	2.8571	7,996		243	8,239
364	FLOW MEASURING DEVICES	5	20.0000	90			90
365	FLOW MEASURING INSTAL	35	2.8571	5,247		160	5,407
370	RECEIVING WELL - MANHOLES LIFT STATIONS	18	5.5556	137,632		8,694	146,326
380	TREATMENT AND DISPOSAL EQ	15	6.6667	22,548			22,548
389	OTHER PLANT & MISC EQUIP	15	6.6667				
390	OFFICE FURNITURE & EQUIP	6	16.6667				
393	TOOLS, SHOP & GARAGE EQUIP	15	6.6667				
	TOTALS			300,619	0	15,139	315,758

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
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SEWER OPERATION AND MAINTENANCE EXPENSE

ACCT NO.	ACCOUNT NAME	AMOUNT
703	SALARIES & WAGES OFFICERS	27,000
711	SLUDGE REMOVAL EXPENSE	14,005
715	PURCHASED POWER	13,445
718	CHEMICALS	4,194
731	PROFESSIONAL FEES (ENGINEERING - ACCOUNTING)	1,885
730	CONTRACTUAL SERVICES SEWER	24,000
735	CONTRACTUAL EXPENSE - PROFESSIONAL	8,094
735	TESTING - SEWER	250
775	BANK SERVICE CHARGES	3,009
775	OFFICE SUPPLIES	1,027
775	DEP Permit Fees	150
775	Misc EXPENSE	12,326
	TOTAL OPERATION AND MAINTENANCE EXPENCE	109,385

WASTEWATER CUSTOMERS

DESCRIPTION (a)	TYPE OF METER (b)	EQUIVALENT FACTOR ©	NUM OF ACTIVE CUSTOMERS START OF YR (d)	CUSTOMERS END OF YR (e)	TOT NUMER OF EQUIVALENT (c x e)
5/8"	D	1.0	238	244	244
3/4"	D	1.5			
1"	D	2.5	3	4	10
2"	D	8.0			
		TOTAL	241	248	254

**PUMPING EQUIPMENT**

Lift Station Number	1	2	3&4
Name or Type and Nameplate data of pump	STA-RITE	STA-RITE	STA-RITE
Year Installed	1990	1990	2000
Rated Capacity	100 GPM	100 GPM	80 GPM
Size	4"	4"	4"
Power	Electric	Electric	Electric
Nameplate Data of Motor	2.8 HP 12.6 AMP	2.8 HP 12.6 AMP	5 HP

**SERVICE CONNECTIONS**

Size (inches)	4"
Type	PVC
Average Length	30'
Number of Active Service Connections	
Beginning of Year	120
Added during Year	0
Retired during Year	
End of Year	120
Age	16 years

**COLLECTING AND FORCE MAINS**

	Collecting Mains	Collecting Mains	Force Mains
Size (inches)	8"	6"	4"
Type of Main	PVC	PVC	PVC
Length of Main (nearest foot)			
Beginning of Year	9287	803	3912
Added during Year	0	0	7600
Retired during Year	0	0	0
End of Year	9287	803	11512
Age	16 years	16 years	16 years

**MANHOLES**

Size (inches)	48"	16 years
Number of Manholes	Concrete	
Beginning of Year	22	
Added during Year	0	
Retired during Year	0	
End of Year	22	

TREATMENT PLANT

Manufacturer	Marlof
Type	Concrete
Total Capacity - Gal Per Day	125,000
Average Daily flow	23,563
Total Gallons of Sewage treated	8,600,368

MASTER LIFT STATION PUMPS

Manufacturer	
Capacity	
Motor: Mfr	
Horsepower	7.5 HP
Power (Electric or Mechanical)	Electric

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons
January	711,552	0	711,552
February	663,328	0	663,328
March	690,671		690,671
April	702,952	0	702,952
May	746,765	0	746,765
June	751,758	0	751,758
July	729,401	0	729,401
August	774,585	0	774,585
September	764,291	0	764,291
October	693,126	0	693,126
November	716,450	0	716,450
December	655,489	0	655,489
Total for Year	8,600,368	0	8,600,368

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT December 31, 2020
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OTHER WASTEWATER SYSTEM INFORMATION

1. Present ERC's \* being served 165
2. Maximum ERC's \*\* that system can efficiently serve **410**
3. Present system connection capacity (in ERC'S) using existing lines. **250**
4. Future connection capacity (in ERC'S) upon service area buildout. 125
5. Estimates annual increase in ERC'S \* **2**
6. State any plans and estimated completion date for any enlargements of this system. No plans at this time
7. In what percent of your certificated area have service connections been installed? **68%**
8. If present systems do not meet the requirements of DEP rule 62-4, Florida Administrative Code, submit the following
  - a. Evaluation of the present plant or plants in regard to meeting the DEP'S rules.
  - b. Plans for funding and construction of the required upgrading.
  - c. Have these plans been coordinated with the DEP?
  - d. Do they concur?
  - e. When will construction begin?
9. Do you discharge effluent to surface waters? **No\_\_**
10. Department of Environmental Protection I.D. #**3042P01551**  
and Water Management District I.D. # **2-083-0220ANF**

\* ERC = (Total Gallons Treated / 365 days / 280 Gallons per Day

Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.

\*\* Total plant capacity/115,000 gpd

UTILITY NAME **CFAT H2O, INC.**

YEAR OF REPORT  
December 31, 2020

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

YES NO

(X) ( ) 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES NO

(X) ( ) 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO

(X) ( ) 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES NO

(X) ( ) 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified

1. 2. 3. 4. *Charles de Menzes*

(X) (X) (X) (X) (signature of chief executive officer of the utility)

1. 2. 3. 4. \_\_\_\_\_

( ) ( ) ( ) ( ) (signature of chief financial officer of the utility)

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTICE: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

# EXHIBIT L



**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER  
WASTEWATER CERTIFICATES OF AUTHORIZATION TO ANOTHER REGULATED UTILITY**

**DOCKET NO. 2021 \_\_\_\_\_**

**APPLICATION FOR TRANSFER OF WASTEWATER SYSTEM OF BFF CORP.,  
WASTEWATER CERTIFICATE NO. 318-S, TO CSWR- FLORIDA UTILITY OPERATING  
COMPANY, LLC, IN MARION 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 Wastewater System of BFF Corp. in Marion 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 BFF Corp. wastewater system provides service to Sandlin Woods, Village of Ascot Heath, Forest Villas I & II, Cedar Grove, and the surrounding community in the following described service territory in Marion 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**

Portions of Township 14 South, Range 20 East in Section 36 – Sandlin Woods, Forest Villas I & II, and Cedar Grove

Portions of Township 14 South, Range 21 East in Section 31 – Village of Ascot Heath

Common Street Names Affected by Transfer: NW 83rd Terrace, NW 83rd Court, NW 47th Avenue, NW 48th Lane, NW 82nd Court, NW 81st Court, NW 47th Street, NW 47th Lane, NW 80th Court, NW 46th Street, NW 80th Avenue, NW 79th Terrace

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](mailto: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.