Financial Reports

Mr. Hartman has been involved in over 300 capital charge, impact fee and installation charge studies involving water, wastewater and fire service for various entities. He also has participated in over 150 user rate adjustment reports. Mr. Hartman assisted in the development of over 70 revenue bond issues, 20 short-term bank loan systems, 10 general obligation bonds, numerous grant/loan programs, numerous capacity sale programs, and 20 privatization programs. Mr. Hartman has been involved in over $3 billion in utility bond and commercial loan financings for water and wastewater utility, and over $4 billion in utility grants, matching funding, cost-sharing; SRF loans and Federal Loans (R.D., etc.), assessments and CIAC programs.

Utility Appraisals, Valuations and Evaluations

Mr. Hartman has been involved in some 400 utility negotiations, valuations and evaluations, and has been a qualified expert witness by the courts with regard to utility, arbitrations and condemnation cases. He has participated in the valuation of numerous utility systems. His experience in the past few years includes:

Year	Project	Party Represented
2013	Richmond Generation Station (Review, Ongoing)	City
2013	Peru Generation Station (Review Ongoing)	City
2013	Dover, Delaware Electric System	City
2013	C-51 Reservoir (Ongoing)	Owner
2013	C-25 Reservoir	Owner
2013	Eglin Air Force Base	Proposer
2013	Fellsmere TTP Electric (Ongoing)	City
2013	Citrus County TPP Electric (Ongoing)	County
2012	Beverly Hills Waste Management	Owner
2012	Town of Belleair	Town
2012	Orchid Springs Utilities	City
2012	Tymber Creek Utilities – Stock Transfer	Owner(s)
2012	Peoples of Balstrop (ongoing)	Owner
2012	Senoia Water System	County
2011	Pine Island Utility System	Owner
2011	Town of Franklinton Water and Wastewater System	Both
2011	Kill Devil Hills Wastewater Treatment Plant	Bank
2011	Chesapeake Electric Utility – Marianna, Florida	City
2011	City of South Daytona Electric Utility	City
2011	On Top of the World Communities Water, Wastewater, and Reuse System – Marion County, Florida (Bay Laurel Center Community Development District)	District
2011	City of Vero Beach Electric Utility	City
2011	City of Vero Beach Water, Wastewater, and Reuse System	City
2010	Rolling Oaks Water and Wastewater System and the Beverly Hills Waste Management System (SW)	Owner/Bank
2010	Liberty Water – Tall Timbers Wastewater System, TX	Owner
2010	Heritage Hills Water and Sewer System, NY	Owner
2010	Waterside Villages of Currituck Waste Water Treatment Plant, NC	District
2010	Tindall Hammock Irrigation and Soil Conservation District Water and Wastewater System	District
2010	KW Resort Utilities	Owner
2010	Great Wolf Resort Utilities, PA	Owner
2010	Town of Indian River Shores Water and Sewer System Assets	Town
2010	City of Vero Beach Water and Sewer System Assets in the Town of Indian River Shores (Partial)	City
2010	City of Griffin Water System Assets, GA	Water Authority
2010	Golden Beach Water Assets	City
2010	Thunder Enterprises, Inc. Water System Assets, AL	Owner

Year	Project	Party Represented
2010	River Forrest, S.C.	Both
2010	Stonecreek, S.C.	Both
2010	Fearington Utilities	NFP
2009	On Top of the World Communities Water, Wastewater, and Reuse System – Marion County, Florida (Bay Laurel Center Community Development District)	District
2009	Aquarina Water and Wastewater	Bank
2009	Cocoa Beach (electric)	City
2009	Parkland Utilities	Owner
2009	GISTRO	NFP
2009	Fruitland Park (electric)	City
2009	Town of Golden Beach Water and Wastewater System	City
2008	Park Water Company	City
2008	Crooked Lake Sewerage Company	City
2008	Vanguard Wastewater System	City
2008	Traxler Enterprises	City
2008	Louisiana Land and Water Company	Owner
2008	Sandy Creek Water and Wastewater	County
2008	Bayside Water and Wastewater	County
2008	Fern Crest Utilities, Inc.	Buyer
2008	Turnpike Utilities, LLC – W/S North Carolina	Owner
2008	Nags Head, Moneray Shores, Currituck Sewer, Corollo #1 & #2	Buyer
2008	Service Management Systems, Inc.	Bank
2008	Slash Creek Utility System	Owner
2008	Kill Devil Hills Utility Company	Owner
2008	Orchid Springs Utilities	City
2008	City of North Miami Beach – Utilities	Owner
2007	Pine Island Water System	Owner
2007	Pine Island Currituck Sewer	Owner
2007	Gulf Coast Electric Cooperative	County
2007	Marion Utilities, Sunshine Utilities and Windstream Utilities	County
2007	Ocean Reef/NKLUA/Card Sound I.Q.	FKAA
2007	Irish Acres	County
2007	I-20 Systems South Carolina	Owner
2007	Town & Country Update	Owner
2007	Service Management Systems, Inc.	C.B. Ellis
2007	Bulow Village Resort	County
2007	Intercoastal Utilities	Owner
2006	Donaldsonville/Peoples Utilities	Owner
2006	MSM Utilities, Inc.	Owner
2006	BSU/Citrus Park	Owner
2006	Jasmine Lakes and Palm Terrace	City
2006	The Arbors	County
2006	Oak Centre	County
2006	Silver Oaks Estates	County
2006	Regal Woods	County
2006	Golden Glen	County
2006	Willow Oaks	County
2006	South Oak	County
2006	Gulf State Community Bank – Utility Holdings	Bank
2006	Rolling Green	County
2006	South 40, Citrus Park and Raven Hill	County
2006	Holiday Utility Company, Inc.	Bank
2006	Old Bahama Bay	Management
2006	Utility Consolidation Program	County
2006	Loch Harbor Water & Wastewater System	Owner

Year	Project	Party Represented
2005	Lake Wales Utility Company	Bank
2005	Pennichuck Water Company	Confidential
2005	K.W. Resort Utilities, Inc.	Confidential
2005	Water Management Services, Inc.	Owner
2005	Town and Country Utility Co.	Confidential
2005	Village of Royal Palm Beach	Village
2005	Orange/Osceola/Lake/Seminole Counties	Confidential
2005	Utilities, Inc. (Partial)	Owner
2005	Village of Royal Palm Beach	Village
2005	Bald Head Island Utilities, Inc.	Village
2005	Broward County	Confidential
2005	Burkim Enterprises, Inc.	Owner
2005	Lyman Utilities, Inc. Harrison County, MS	Owner
2004	Quail Meadow Utility Company	County
2004	Silver Springs Shores Regional	County
2004	Matanzas Shores	County
2004	El Dorado Utilities, NM	Owner
2004	CDF to City of Tupelo, MS	CDF
2004	Pesotum, Illinois – IAWC	Village
2004	Philo, Illinois – IAWC	Village
2004	Central Florida	Confidential
2004	Skyview	City
2004	Polk Utilities	NFP
2004	St. Johns Services Company	County
2004	Intercoastal Utilities Company	County
2004	Stonecrest Utilities	County
2004	Meredith Manor	County
2004	Lake Harriet Estates	County
2004	Lake Brantley	County
2004	Fern Park	County
2004	Druid Hills	County
2004	Dol Ray Manor	County
2004	Apple Valley	County
2004	Kingsway Utility Area	County
2004	Lake Suzy Utilities (water portion)	County
2004	Sanibel Bayous Wastewater Corporation	City
2004	Ocean City Utilities	FCURIA/County
2004	Peoples Water of Donaldsonville, LA	Owner
2003	Harmony Homes	County
2003	Florida Central Commerce Park	County
2003	Chuluota	County
2003	District 3C (Miramar portion)	City
2003	Lincoln Utilities/Indiana Water Service	Owner
2003	Gibsonia Estates	City
2003	Lake Gibson Estates	City
2003	El Dorado Utilities, NM	Buyer
2003	Jungle Den Utilities	Association
2003	Holiday Haven Utilities	Association
2003	Salt Springs	County
2003	Smyrna Villas	County
2003	South Forty	County
2003	Citrus Park	County
2003	Spruce Creek South	County
2003	Spruce Creek	County
2003	Spruce Creek Country Club Estates	County

Year	Project	Party Represented
2003	Longwood Franchise (electric)	City
2003	Casselberry Franchise (electric)	City
2003	Apopka Franchise (electric)	City
2003	Winter Park Acquisition (electric)	City
2003	Stonecrest/Steeplechase	County
2003	Marion Oaks	County
2003	Kingswood Utilities	County
2003	Oakwood Utilities	County
2003	Sunny Hills Utilities	Confidential
2003	Interlachen Lake/Park Manor	Confidential
2003	Tomoka/Twin Rivers	Confidential
2003	Beacon Hills	Buyer
2003	Woodmere	Buyer
2003	Bay Lake Estates	City
2003	Fountains	City
2003	Intercession City	City
2003	Lake Ajay Estates	City
2003	Pine Ridge Estates	City
2003	Tropical Park	City
2003	Windsong	City
2003	Buenaventura Lakes	City
2002	Lelani Heights Utilities	County
2002	Fisherman Haven Utilities	County
2002	Fox Run Utilities, Inc.	County
2002	Ponce Inlet	City
2002	Amelia Island Utilities	City
2002	Florida Public Utilities	City
2002	AquaSource – LSU	County
2002	Park Place Utility Company, GA	Owner
2002	Kingsway Utility System	Owner/County
2002	Pennichuck Water Company, NH	City
2002	Philo Water System, IL	Village
2002	Pasco County – 2 systems	County
2002	Marion Consolidation – 10 systems	County
2002	Sugarmill	UCCNSB
2002	Deltona	FCURIA
2002	Palm Coast	FCURIA
2002	Bald Head Island Utilities, NC	Village
2002	White's Creek – Lincolnshire, SC	Owner
2002	Bluebird Utilities, Tupelo, MS	NFP
2001-2	Due Diligence – 260 systems (VA, NC, SC)	Buyer
2001	Shady Oaks	County
2001	Davie/Sunrise	City
2001	Lindale Utilities	County
2001	Aquarina	Owner
2001	Intercoastal Utilities	County
2001	Beverly Beach	City
2001	Citrus County Utility Consolidation Plan (numerous)	County
2001	Pasco County Utility Acquisition Plan (numerous)	County
2001	Skylake Utilities	City
2001	Town of Lauderdale-By-The-Sea	Town
2001	John Knox Village	City
2001	Silver Springs Regional	County
2001	DeSoto Countywide FWSC Franchise and Assets	County
2001	Zellwood Station Co-Op	Co-Op

Year	Project	Party Represented
2001	Palm Cay	County
2000	The Great Outdoors	Owner
2000	Destin Water Users	City
2000	Pine Run	County
2000	Oak Run	County
2000	Dundee Wastewater (partial)	City
2000	Polk City Water	City
2000	A.P. Utilities (2 systems)	County
2000	CGD Utilities	Bank
2000	Boynton Beach (partial)	City
2000	Aqua-Lake Gibson Utilities	City
2000	Bartelt Enterprises, Ltd. (2 systems)	Owner
2000	49 'Ner Water System, Tucson, AZ	Owner
2000	Stock Island Wastewater and Reuse System	Owner
1999	Osceola Power Station (Electric)	Owner
1999	Okeelanta Power Station (Electric)	Owner
1999	Del Webb (3 systems)	County
1999	Destin Water Users Co-Op	City
1999	O&S Water Company	City
1999	Rolling Springs Water Company	County
1999	ORCA Water & Solid Waste	Authority
1999	Marianna Shores Water and Wastewater	City
1999	Mount Olive Utilities	City
1999	AP Utilities (3 systems)	County
1999	Tangerine Water Association	City
1999	Laniger Enterprises Water & Wastewater	Bank
1999	IRI golf Water System, AZ	Investor
1999	South Lake Utilities	City
1999	St. Lucie West CDD	City
1999	Polk City/Lakeland	City
1999	Dobo System, Hanover County, NC	County
1999	Rampart Utilities	County
1999	Garlits to Marion County	County
1998	Golf and Lake Estates	City
1998	Sanibel Bayous/E.P.C.	City
1998	Tega Cay Utility Company, SC	City
1998	Marlboro Meadows, MD	Owner
1998	Sugarmill Water and Wastewater/Volusia County	UCCNSB
1998	SunStates Utilities, Inc.	Owner
1998	Town of Hope Mills/FPWC, NC	Town
1998	River Hills, SC	County
1998	Town of Palm Beach	Town
1998	K.W. Utilities, Inc.	Buyer
1998	Orange Grove Utility Company, MS	Owner
1998	Garden Grove Water Company	City
1998	Sanlando Utilities, Inc.	County
1997	Golden Ocala Water and Wastewater System	County
1997	Holiday Heights, Daetwyller Shores, Conway, Westmont	County
1997	University Shores	County
1997	Sunshine Utilities	County
1997	Bradfield Farms Utility, NC	Owner
1997	Palmetto Utility Corporation	Owner
1997	A.P. Utilities	County
1997	Village of Royal Palm Beach	Village
1997	Jasmine Lake Utilities Corporation	Lender

Year	Project	Party Represented
1997	Arizona (confidential)	Owner
1997	Village Water Ltd., FL	Owner
1997	N.C. System – CMUD (3 systems)	Owner
1997	Courtyards of Broward	City
1997	Miami Springs	City
1997	Widefield Homes Water Company, CO	Company
1997	Peoples Water System	ECUA
1997	Quail Meadows, GA	County
1997	Rolling Green, GA	County
1996	Keystone Heights	City
1996	Buchannan	Owner
1996	Keystone Club Estates	City
1996	Lakeview Villas	City
1996	Geneva Lakes	City
1996	Postmaster Village	City
1996	Landen Sewer System, CMUD, NC	Company
1996	Citizens Utilities, AZ	City
1996	Widefield Water and Sanitation, CO	District
1996	Consolidation Program Game Plan	County
1996	Marion Oaks	County
1996	Marco Shores	Company
1996	Marco Island	Company
1996	Cayuga Water System, GA	Authority
1996	Glendale Water System, GA	Authority
1996	Lehigh Acres Water and Wastewater, GA	Authority
1996	Lindrick Services Company	Company
1996	Carolina Blythe Utility, NC	City
1996	Ocean Reef R.O. WTPs	NKLUA
1995	Sanibel Bayous	City
1995	Rotunda West Utilities	Investor
1995	Palm Coast Utility Corporation	ITT
1995	Sunshine State Parkway	Company
1995	Orange Grove Utilities, Inc., Gulfport, MS	Company
1995	Georgia Utilities, Peachtree, GA	City
1995	Beacon Hills Utilities	Company
1995	Woodmere Utilities	Company
1995	Springhill Utilities	Company
1995	Okeechobee Utility Authority	OUA
1995	Okeechobee Beach Water Association	OUA
1995	City of Okeechobee	OUA
1995	Mad Hatter Utilities, Inc.	Company
1994	Eastern Regional Water Treatment Plant	Owner
1994	GDU – Port St. Lucie Water and Wastewater	City
1994	St. Lucie County Utilities	City
1994	Marco Island/Marco Shores	Sun Bank
1994	Heater of Seabrook, SC	Company
1994	Placid Lake Utilities, Inc.	Company
1994	Ocean Reef Club Solid Waste System	ORCA
1994	Ocean Reef Club Wastewater System	ORCA
1994	South Bay Utilities, Inc.	Company
1994	Kensington Park Utilities, Inc.	Company
1993	River Park Water System	SSU/Allete
1993	Taylor Woodrow, Sarasota County	Taylor Woodrow
1993	Atlantic Utilities, Sarasota County	Company
1993	Alafaya Utilities, Inc.	Bank

Year	Project	Party Represented
1993	Anden Group Wastewater System, PA	Company
1993	West Charlotte Utilities, Inc.	District
1993	Rolling Oaks (SW)	Owner
1993	Sanlando Utilities, Inc.	Investor
1993	Venice Gardens Utilities	Company
1992	Myakka Utilities, Inc.	City
1992	Kingsley Service Company	County
1992	Mid Clay Utilities, Inc.	County
1992	Clay Utilities, Inc.	County
1992	RUD#1 (4 systems review)	Meadowoods/Kensington Park
1992	Uddo Landfill (SW)	Owner
1992	Martin Downs Utilities, Inc.	County
1992	Fox Run Utility System	County
1992	Leilani Heights	County
1992	River Park Water and Sewer	SSU/Allete
1992	Central Florida Research Park	Bank of America
1992	Rolling Oaks Utility	Investor
1992	City of Palm Bay Utilities	PBUC
1992	North Port – GDU Water and Sewer	City
1992	Palm Bay – GDU Water and Sewer	City
1992	Sebastian – GDU Water and Sewer	City
1991	Sanibel – Sanibel Sewer System, Ltd.	City
1991	St. Augustine Shores, St. Johns County	SSU/Allete
1991	Remington Forest, St. Johns County	SSU/Allete
1991	Palm Valley, St. Johns County	SSU/Allete
1991	Valrico Hills, Hillsborough County	SSU/Allete
1991	Hershel Heights, Hillsborough County	SSU/Allete
1991	Seaboard Utilities, Hillsborough County	UFUC
1991	Federal Bankruptcy – Lehigh Acres	Topeka/Allete
1991	Meadowoods Utilities, Regional Utility District #1	Investor
1991	Kensington Park Utilities, Regional Utility District #1	Investor
1991	Industrial Park, Orange City	City
1991	Country Village, Orange City	City
1991	John Know Village, Orange City	City
1991	Land O'Lakes, Orange City	City
1990	Orange-Osceola Utilities, Osceola County	County
1990	Morningside East and West, Osceola County	County
1990	Magnolia Valley Services, Inc., New Port Richey	City
1990	West Lakeland Industrial, City of Lakeland	City
1990	Highlands County Landfill	Owner
1990	Venice Gardens Utilities, Sarasota County	SSU/Allete
1990	South Hutchinson Services, St. Lucie County	SHS
1990	Indian River Utilities, Inc.	City
1990	Coraci Landfill (SW)	Owner
1990	Terra Mar Utility Company	City
1989	Seminole Utility Company, Winter Springs	Topeka/Allete
1989	North Hutchinson Services, Inc., St. Lucie County	NHS
1989	Sugarmill Utility Company	UCCNSB
1989	Ocean Reef Club, Inc., ORCA	Company
1989	Prima Vista Utility Company, City of Ocoee	PVUC
1989	Deltona Utilities, Volusia County	SSU
1989	Poinciana Utilities, Inc., Jack Parker Corporation	JPC
1989	Julington Creek	Investor
1989	Silver Springs Shores	Bank

Year	Project	Party Represented
1988	Eastside Water Company, Hillsborough County	County
1988	Twin County Utilities	Company
1988	Burnt Store Utilities	Company
1988	Deep Creek Utilities	Company
1988	North Beach Water Company, Indian River County	NBWC
1988	Bent Pine Utility Company, Indian River County	BPUC
1988	Country Club Village, SSU	CCV
1987	Sugarmill Utility Company, Florida Land Corporation	FLC
1987	North Orlando Water and Sewer Company, Winter Springs	NOWSCO
1987	Osceola Services Company, FCS (nfp)	OSC
1987	Orange City Water Company, Orange City	City
1987	West Volusia Utility Company, Orange City	City
1987	Seacoast Utilities, Inc., Florida Land Corporation	FLC
1987	Utilities Commission, City of New Smyrna Beach (partial SA/Assets) (Electric)	Commission

And numerous other utility valuations in the 1976-1987 period.

Utility Management Consulting

Mr. Hartman has been involved in utility transfers from public, not-for-profit, district, investor-owned, and other entities to cities, counties, not-for-profit corporations, districts, and private investors. He has been involved in staffing, budget preparation, asset classification, form and standards preparation, utility policies and procedures manuals/training, customer development programs, standard customer agreements, capacity sales, and other programs. Mr. Hartman has been involved in over 100 interlocal agreements with respect to service area, capacity, service, emergency interconnects, back-up or other interconnects, rates, charges, service conditions, ownership, bonding and other matters. Additionally, Mr. Hartman has assisted in the formation of newly certificated utilities, newly created utility departments for cities and counties, new regional water supply authorities, new district utilities, and other utility formations. Mr. Hartman has assisted in Chapter 180.02 F.S. utility reserve areas for the Cities of Haines City, Sanibel, Lakeland, St. Cloud, Winter Haven, Bartow, Palm Bay, Orange City, and many others. He has participated in the certification of many utilities such as ECFS, Malabar Woods, B&C Water Resources, Inc., Farmton Water Resources, Inc. and many others; and certification disputes such as Windstream, Intercoastal Dulay Utilities, FWSC/ITT, and others and served as service area certification staff of the regulatory for St. Johns County; i.e., Intercoastal, etc.; as service area transfer/certification staff of the regulatory for Flagler County; i.e., Palm Coast to FWSC. He has served as a local county regulatory staff professional in Collier, Citrus, Hernando, Flagler and St. Johns Counties as well as elsewhere. Mr. Hartman has also provided the technical assistance to many utility service area agreements such as Winter Haven/Lake Wales/Haines City, etc. and North Miami Beach – MDWASD and others. For over 30 years, Mr. Hartman has been a professional assisting in the resolution of utility issues.

Utility Finance, Rates, Fees and Charges

Mr. Hartman has been involved in hundreds of capital charge, impact fee, and installation charge studies involving water, wastewater, stormwater, solid waste, gas and electric service for various Florida entities and at the rate regulatory commissions. He also has participated in hundreds of user rate adjustment reports. Since 1976, Mr. Hartman assisted in the development of over 50 revenue bond issues, 20 short-term bank loan systems, 2 general obligation bonds, 26 grant/loan programs, 10 capacity sale programs, and 20 privatization programs. He has been involved in over hundreds of utility acquisition/utility evaluations for acquisition, and is a qualified expert witness with regard to utility rates and charges, and utility negotiation, arbitration and condemnation cases. A few of his rate, charge and bond projects include:

- City of North Miami Beach Water and Wastewater Rate, Fee and Charge Study, 2013
- City of North Miami Beach $65 Million Water Revenue Bond Issue, 2012

- DeKalb County Revenue Bond Issue $373 Million Services 2011
- Polk City Services 2010 - $10 Million Revenue Bond Issue
- Bay Laurel Services 2011 - $45 Million Revenue Bond Issue
- Bay County Water Rate, Charge and Fee Study both Wholesale and Retail, 2013
- Bay County Wastewater Rate, Charge and Fee Study both AWT and Owner Retail, 2013
- Bucks County – City of Philadelphia Wholesale Utility Services Analysis, 2011
- Timber Creek FPSC Utility Rates and Charges, 2011 and 2012
- Polk City Water and Wastewater Rate, Fee and Charge Study, 2010
- Lake Worth Wholesale Charges Analysis for 7 entities, 2012
- THISCD Water and Wastewater Rate, Fee and Charge Study, 2012
- City of Ft. Meade Water and Wastewater Rate, Fee and Charge Study, 2013
- City of Ft. Meade Stormwater Rate Study, 2012
- City of Ft. Myers Beach Water and Wastewater Rate, Fee and Charge Study, 2013
- Dunnellon Rate and Surcharge Review, 2012/2013
- Bay Laurel Center Community Development District – Water, Wastewater and Reclaimed Water Rate Study, Line Charge Study, and Miscellaneous Charge Study, 2010
- Skyland Utilities, LLC – FPSC, 2009
- Bluefield Utilities, LLC – FPSC, 2009
- Grove Land Utilities, LLC – FPSC, 2009
- Tindall Hammock Irrigation and Soil Conservation District – Water and Wastewater Rate and Charge Study, 2008
- Bay County – Wholesale Rate Study and Impact Fee Study – 2007
- Flagler County – Impact Fee Analysis, 2005
- Flagler County – Base Facility Charge Analysis, 2005
- Marion County – Silver Springs Regional – Water and Wastewater Revenue Sufficiency, 2004
- Beverly Beach – Water and Wastewater System, 2004
- Village of Bald Head Island – Water and Wastewater Rate Sufficiency, 2004
- Farmton Water Resources, Inc. – FPSC, 2004
- B&W Water Resources, Inc. – FPSC, 2004
- Marion County – Stonecrest, Marion Oaks, Spruce Creek, Salt Springs, South Forty, Smyral Villas – Rate Integration/Phasing Program, 2003
- City of North Miami Beach – Water and Wastewater Adjustment, 2003
- City of Fernandina Beach – Water and Wastewater Rate Study, 2002
- St. Johns County – St. Johns Water Co. Rates, 2003
- St. Johns County – Intercoastal Rates, 2001
- Nashua, NH – Pennichuck Water Co., 2002
- City of Deltona – Water and Wastewater, 2002
- Town of Lauderdale By-The-Sea, 2001
- FCURA – Palm Coast Rates, Certification, 2000
- Marion County – Pine Run, Oak Run, A.P. Utilities – Rate Integration, 2000
- City of North Miami Beach – Revenue Sufficiency Analysis, 2000
- North Key Largo Utility Authority, 2000
- Port St. Lucie – St. Lucie West – CDD, 1999
- Hanover County – Water and Wastewater, 1999
- UCCNSB/Sugarmill, 1999
- Town of Hope Mills, 1998
- Town of Palm Beach, 1998
- City of Winter Haven, 1998
- Palmetto Resources, Inc. – Raw Water, Reuse, Water, and Wastewater, 1997

- City of Miami Springs – Analysis, 1997
- Widefield – Water and Wastewater, 1997
- Bullhead City – Wastewater, 1996
- Marion County, 1996
- Utilities Commission, City of New Smyrna Beach - Water and wastewater Rate Study, 1995
- Okeechobee Utility Authority - Rate and charge study, 1995
- Southern States - Statewide rate case, 1995
- Englewood - AFPI and capital charges, 1995
- Lee County - Rates and charges, 1995
- Venice - Reuse rate study, 1994
- Utilities Commission, City of New Smyrna Beach - Capital charge study, 1996
- Port St. Lucie - Water, gas and wastewater rates, 1994
- Port St. Lucie - Capital charge study, 1995
- Bullhead City - Assessment study, 1996
- Englewood - Assessment study, 1996
- Sanibel - Capacity sale study, 1995
- City of New Port Richey - Rate and charge study, 1995
- Acme Improvements District, Wellington, Florida - Water/wastewater studies, 1994
- Charlotte County, Florida - Water/wastewater studies; Rotunda West rate case, 1993
- Clay County, Florida - Water/wastewater studies, 1992
- City of Deerfield Beach, Florida - Water/wastewater studies, 1992
- City of Dunedin, Florida - Water/wastewater studies, 1991
- Englewood Water District, Florida - Water/wastewater studies, 1993
- City of Green Cove Springs, Florida - Water/wastewater studies, 1991
- Hernando County, Florida - Water/wastewater studies, 1992
- City of Lakeland, Florida - Water studies, 1976-89
- Martin County, Florida - Water/wastewater studies, 1993
- City of Naples, Florida - Water/wastewater and solid waste studies, 1992/94
- City of New Port Richey, Florida - Water/wastewater studies, 1994
- City of North Port, Florida - Water/wastewater studies, 1992
- City of Orange City, Florida - Water/wastewater studies, 1985-94
- City of Palm Bay, Florida - Water/wastewater studies, 1985-94
- City of Panama City Beach, Florida - Water/wastewater studies, 1993
- City of Sanibel, Florida - Water and reuse studies, 1988-94
- Southern States Utilities Inc., Florida - Water/wastewater studies and statewide rate cases, 1991/93
- City of Tamarac, Florida - Water/wastewater studies, 1993
- Utilities Commission, City of New Smyrna Beach, Florida - Water/wastewater and reuse studies, 1992/94
- Volusia County, Florida - Solid waste studies, 1989
- City of West Palm Beach, Florida - Water/wastewater and reuse studies, 1993/94
- City of Sebastian, Florida - Water/wastewater studies, 1993
- City of Tarpon Springs, Florida - Water/wastewater studies, 1994
- City of Miami Springs, Florida - Water/wastewater and solid waste studies, 1994
- City of Edgewater, Florida - Water/wastewater and solid waste studies, 1987-90
- City of Venice, Florida - Reuse studies, 1994
- City of Port St. Lucie - Water/wastewater studies, 1994
- Ocean Reef Club, Monroe County, Florida - Wastewater studies, 1994
- Placid Lakes Utilities Inc., Florida - Water/wastewater studies, 1994
- Old Overtown-Liberty Park, Birmingham, Alabama - Wastewater studies, 1994

- Bullhead City, Arizona - Wastewater studies, 1994
- Lehigh Utilities Inc., Lee County, Florida - Florida Public Service Commission rate cases for water, wastewater and reuse, 1993
- Marco Island and Marco Shores Utilities Inc., Collier County, Florida - Florida Public Service Commission rate cases for water, wastewater and reuse, 1993
- Venice Gardens Utilities Inc., Sarasota County, Florida - Rate cases for water, wastewater and reuse, 1989/91/93
- Mid-Clay and Clay Utilities Inc., Clay County, Florida - Water/wastewater studies, 1993

Several expert witness assignments including Palm Bay vs. Melbourne; Tequesta vs. Jupiter; Town of Palm Beach vs. City of West Palm Beach; City of Sunrise vs. Davie; Kissimmee vs. Complete Interiors; and others.

Economic Evaluations/Credit Worthiness Analyses

- Credit Worthiness Analysis for Drinking Water State Revolving Fund (1999) – Florida Department of Environmental Regulation
- Credit Rating Reviews (1980-2000) – for numerous investor-owned utilities; many city-owned utilities (Winter Haven, Port St. Lucie, Miramar, Tamarac, Palm Bay, North Port, etc.); many county-owned utilities; several not-for-profit utilities; and utility authorities (OUA, etc.)
- Financial Feasibility and Engineer's Revenue Bond Reports (1980-2000) – for over $2 billion of water and/or wastewater bonds for some fifty (50) entities in the Southeast United States including Clay, Lee, Hernando, Martin, and other counties; Lakeland, West Palm Beach, Miramar, Tamarac, Panama City Beach, Winter Haven, Naples, North Port, Palm Bay, Port St. Lucie, New Port Richey, Clermont, Orange City, Deerfield Beach, Sanibel, City of Peachtree City, Widefield, and many other cities; Lee County Industrial Development Authority, Englewood Water District, and other utilities.
- Privatization Procurement and Analysis for many water and wastewater systems including Sanibel, Town of Palm Beach, Temple Terrace, Palm Bay, Widefield, Bullhead City and sever others.

Negotiations/Service Area

Mr. Hartman has participated in over thirty-five (35) service area formations, Chapter 25 F.S. certifications, Chapter 180.02 reserve areas, authority creations, and interlocal service area agreements including Lakeland, Haines City, Bartow, Winter Haven, Sanibel, St. Cloud, Palm Bay, SBWA, ECFS, MWUC, Edgewater, Orange City, UCCNSB, Port St. Lucie, Martin County, OUA, NKLUA, DDUA, and many others
Mr. Hartman has been a primary negotiator for interlocal service agreements regarding capacity, joint-use, bulk service, retail service, contract operations and many others for entities such as the Town of Palm Beach, Miramar, Lauderdale-By-The-Sea, North Miami Beach, Collier County, Marion County, St. Johns County, JEA and many others.

Expert Testimony

Mr. Hartman has been accepted in various Circuit Courts, Florida Division of Administrative Hearings, Florida Public Service Commission, arbitration, and quasi-judicial hearings conducted by cities and counties, as a technical expert witness in the areas of electric systems, solid waste systems, stormwater systems, gas systems, wastewater systems and/or biosolids facilities, water supply, facility planning, water resources, water treatment, water quality engineering, water system design and construction, wastewater collection, wastewater transmission, wastewater treatment, effluent/reclaimed water use, sludge processing and disposal, costing, damages, rates/charges, service and service areas, and utility systems valuation and utility systems valuation. Recently, Mr. Hartman has been an expert witness on utility condemnation, utility arbitration, water rates and use permitting DOAH case, utility rate setting DOAH case, service area and utility service civil case, City of Atlanta Water Treatment Plant Construction, City of Milwaukee Cryptosporidium, Jupiter vs. Tequesta Water Contract Services, Winter Park electric, Okeelanta/Osceola Power Plants, UCCNSB and many other condemnation cases. Mr. Hartman has been an expert witness in permitting and regulatory cases.

Mr. Hartman has given oral testimony on over 170 occasions over the past 35 years. He has assisted in the resolution of a similar number of matters without formal testimony.

TABLE OF CONTENTS

SUMMARY APPRAISAL OF THE VILLAGE OF OAKWOOD
WATER AND WASTEWATER UTILITY SYSTEM

TABLE OF CONTENTS

Section Number	Title		Page Number
	Letter of Transmittal		
	Valuation Certification		
	Gerald C. Hartman ASA Accreditation Certificate		
	Gerald C. Hartman, P.E., BCEE, ASA, Resume		
	Table of Contents		- i -
	List of Tables		- iv -
	List of Figures		- v -
	List of Schedules		- v -
1.0	INTRODUCTION		
	1.1	Project Scope and Authorization	1-1
	1.2	Utility Identification	1-1
	1.3	Ownership Interest	1-1
	1.4	Purpose and Use of Appraisal	1-2
	1.5	Important Valuation Definitions	1-2
	1.6	Effective Date of Appraisal	1-5
	1.7	Type of Property	1-5
	1.8	Specialty Property – An Ongoing Utility Business	1-5
	1.9	Going Concern, Intangibles, and Other Items	1-6
	1.10	Summary of Data Collection	1-7
	1.11	Summary of Confirmation Activities	1-7
	1.12	Summary of Reporting Measures	1-7
	1.13	Assumptions and Limiting Conditions	1-7
	1.14	Significant Assumptions	1-10
	1.15	Process and Procedures Followed	1-10
	1.16	Highest and Best Use	1-11
	1.17	Appropriate Market Used	1-11
	1.18	Exclusions	1-11
	1.19	Departures/Scope Limitations	1-12
	1.20	Assumed Standard Terms and Conditions	1-12
	1.21	Client	1-12

SUMMARY APPRAISAL OF THE VILLAGE OF OAKWOOD
WATER AND WASTEWATER UTILITY SYSTEM

TABLE OF CONTENTS
(Continued)

Section Number	Title	Page Number
2.0	DESCRIPTION OF THE UTILITY	
	2.1 Overview	2-1
	2.2 Water Facilities	2-1
	2.3 Wastewater Facilities	2-5
3.0	VALUATION METHODS	
	3.1 General	3-1
	3.2 Cost Approach	3-1
	3.2.1 Depreciation Analysis	3-3
	3.2.1.1 Average Service Life Schedule	3-3
	3.2.2 Cost Determination	3-4
	3.2.3 Indirect Cost Components and Percentages	3-4
	3.3 Income Approach	3-5
	3.4 Comparable Sales Approach	3-7
	3.5 Summary	3-8
4.0	COST APPROACH	
	4.1 Introduction	4-1
	4.2 Replacement Cost Determination	4-1
	4.3 Recommended Depreciation Schedule	4-3
	4.4 Indirect Cost Components	4-4
	4.5 Replacement Cost Analyses	4-5
	4.5.1 Water System	4-6
	4.5.2 Wastewater System	4-6
	4.5.3 Summary of Replacement Cost New Less Physical Depreciation	4-6
	4.5.4 Consumables and Inventory at Cost	4-7
	4.5.5 Tools and Equipment Depreciated	4-7
	4.5.6 Records Depreciated	4-7
	4.5.7 Deficiencies and Deferred	4-8
	4.6 Functional Depreciation	4-8
	4.7 External Depreciation	4-8
	4.8 Going Concern	4-8
	4.9 Replacement Cost New Less Depreciation	4-9

SUMMARY APPRAISAL OF THE VILLAGE OF OAKWOOD
WATER AND WASTEWATER UTILITY SYSTEM

TABLE OF CONTENTS
(Continued)

Section Number	Title	Page Number
5.0	INCOME APPROACH	5-1
6.0	COMPARABLE SALES APPROACH	
	6.1 Introduction	6-1
	6.2 Factors Influencing Utility Acquisitions	6-1
	6.2.1 System Assets	6-1
	6.2.2 Regulatory Compliance	6-2
	6.2.3 Competitive Market or Monopoly	6-2
	6.2.4 Method of Acquisition	6-3
	6.2.5 Context of Transaction	6-3
	6.3 Market Summary	6-3
	6.4 Selected Comparable Sales	6-4
	6.4.1 Criteria	6-4
	6.4.2 Selected Comparable Sales	6-4
	6.4.3 Summary of Selected Transactions	6-5
	6.5 Adjustments to Purchase Prices	6-9
	6.5.1 Asset Composition Adjustment	6-10
	6.5.2 Other Adjustments	6-10
	6.5.2.1 Size of the System	6-10
	6.6 Analysis and Conclusions	6-11
7.0	RECONCILIATION OF VALUATION APPROACHES	7-1

APPENDICES

Appendix A Assumed Standard Terms and Conditions
Appendix B Inspection Photos

SUMMARY APPRAISAL OF THE VILLAGE OF OAKWOOD
WATER AND WASTEWATER UTILITY SYSTEM

LIST OF TABLES

Table No.	Description (or Title)	Page No.
4-1	Direct Cost Components Included in Unit Prices	4-2
4-2	Rounding of Valuation Amounts	4-3
4-3	Water and Wastewater Utility Component Average Service Life	4-4
4-4	Indirect Cost Components and Percentages	4-5
4-5	Summary of Facilities – Replacement Cost New Less Physical Depreciation	4-7
4-6	Summary of Adjustments for Replacement Cost New Less Depreciation Analysis – Water and Wastewater	4-9
6-1	Sales Comparison – Listing of Adjustments	6-9
6-2	Comparable Sales Analysis – Adjusted Price per ERC	6-11
6-2	Summary of Value – Comparable Sales Approach	6-11
7-1	Results of Valuation Approaches	7-1

SUMMARY APPRAISAL OF THE VILLAGE OF OAKWOOD WATER AND WASTEWATER UTILITY SYSTEM

LIST OF FIGURES

Figure No.	Description (or Title)
2-1	Location Map – Village of Oakwood, Illinois
2-2A	Water Map (Part A)
2-2B	Water Map (Part B)
2-3A	Sanitary Sewer Map (Part A)
2-3B	Sanitary Sewer Map (Part B)
6-1	Number of Connections vs. $/Connection – Water Systems
6-2	Number of Connections vs. $/Connection – Wastewater Systems

LIST OF SCHEDULES

Schedule No.	Description (or Title)
4-1	Replacement Cost New Less Physical Depreciation – Water System
4-2	Replacement Cost New Less Physical Depreciation – Wastewater System
6-1	Selected Water and Wastewater Transactions
6-2	Asset Composition Adjustment

SECTION 1

SECTION 1
INTRODUCTION

1.1 PROJECT SCOPE AND AUTHORIZATION

This is a Summary Appraisal Report ("Report") of the Village of Oakwood Water and Wastewater utility system ("Utility"), in Oakwood Township, Vermilion County, Illinois. The Utility currently provides water services and wastewater services to approximately 713 customers with a resident population of approximately 1,700. The Utility is comprised of water treatment assets with a capacity of 500,000 gallons per day (gpd), distribution facilities, on-site water supply storage, wastewater collection facilities, pump stations, and a wastewater stabilization lagoon rated at 220,000 gpd (see **Section 2**). The Village of Oakwood ("Village") has authorized GAI Consultants, Inc. (GAI) to provide a valuation of the Utility. The valuation is intended to be used in a potential sale of the Utility.

1.2 UTILITY IDENTIFICATION

The Utility is more fully described in **Section 2** of this Report. The Utility is an active and operating system and is permitted for operations by the Illinois Environmental Protection Agency (IEPA).

1.3 OWNERSHIP INTEREST

The assets are part of an ongoing system with facilities, permits, etc. and a going concern at the date of the appraisal. We have performed these services for the specified portion of property in "fee simple," which includes all rights (the bundle of rights) that can be legally vested in an owner, subject to encumbrances whatever they may be. This fee simple ownership includes ownership of the assets, fee simple ownership of certain real property, easement rights, water operational rights, water use allocation rights, any exclusive certificated area/franchise property rights, as well as other tangible and intangible assets. In other words, the fee simple value has been determined, without deduction for any liens or other encumbrances that may exist.

This appraisal does not contain a separate valuation of the fee simple land which contains the assets. For purposes of this Report, it is assumed to be leased at a nominal rate, thereby not affecting the valuation of the Utility.

Fee simple ownership is the most comprehensive type of ownership since the owner may dispose of the property in any manner they select. One possessing this property has no restrictions or limitations upon ownership except those imposed by governmental entities and those which were willfully created by agreement.

1.4 PURPOSE AND USE OF APPRAISAL

The purpose of this appraisal is to provide the Village with the appraised value of the Utility. The use of the appraisal is for the potential sale of the Utility. The users of this Report could include the Village of Oakwood, as well as the attorneys, financial underwriters, bond rating agencies and insurers for the proposed transaction.

1.5 IMPORTANT VALUATION DEFINITIONS

Appraisal (noun) is the act or process of developing an opinion of value; an opinion of value (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.[1]

Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment.[2]

Easement is an interest in real property that conveys use, but not ownership, of a portion of an owner's property.[3]

Fee Simple is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.[4]

---

[1] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-1.
[2] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-2.
[3] The Dictionary of Real Estate Appraisal, 4th Edition, Published by the Appraisal Institute, Page 90.
[4] The Appraisal of Real Estate, 12th Edition, Published by the Appraisal Institute, Page 68.

Highest and Best Use (in appraising real property) is the reasonably probable and legal use of vacant land or an approved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.[5]

Hypothetical Condition is that what is contrary to what exists but is supposed for the purpose of analysis.[6]

Intended Use is the use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.[7]

Intended User is the client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.[8]

Jurisdictional Exception is an assignment condition that voids the force of a part or parts of Uniform Standards of Professional Appraisal Practice (USPAP), when compliance with part or parts of USPAP is contrary to law or public policy applicable to the assignment.[9]

Larger Parcel (in condemnation) is the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard include contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. The larger parcel is sometimes referred to as the "parent tract."[10]

---

[5] The Appraisal of Real Estate, 12th Edition, Published by the Appraisal Institute., Page 305.
[6] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-3.
[7] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-3.
[8] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-3.
[9] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-3.
[10] The Dictionary of Real Estate Appraisal, 4th Edition, Published by the Appraisal Institute, Page 160.

Leased Fee Estate is a lessor's, or landlord's, interest with specified rights that include the right of use and occupancy conveyed by lease to others: the rights of the lessor (the leased fee owner) and the lessee (leaseholder) are specified by contract terms contained within the lease.[11]

Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.[12]

Remainder (in condemnation) is that portion of a larger parcel remaining in the ownership of the property owner after a partial taking.[13]

Replacement Cost New (RCN) is the current cost of a similar new property having the nearest equivalent functionality as the property being appraised, as of a specific date.[14]

Reproduction Cost New is the current cost of producing a new replica of a property with the same, or closely similar materials, as of a specific date.[15]

Self-Contained Appraisal Report is a written report prepared under Standards Rule 2-2(a) or 8-2(a) of a Complete or Limited Appraisal performed under STANDARD 1 or STANDARD 7.[16]

Severance Damages is the diminution of the market value of the remainder area, in the case of a partial taking, which arises (a) by reason of the taking (severance), and/or (b) the construction of the improvements in the manner proposed.[17]

---

[11] The Appraisal of Real Estate, 12th Edition, Published by the Appraisal Institute, Page 81.
[12] International Valuation Standards, 2000 Edition, Published by the International Valuation Standards Committee, Pages 92-93.
[13] The Dictionary of Real Estate Appraisal, 4th Edition, Published by the Appraisal Institute, Page 242.
[14] Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets, Second Edition, Published by American Society of Appraisers, Page 585.
[15] Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets, Second Edition, Published by American Society of Appraisers, Page 585.
[16] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-21.
[17] American Institute of Real Estate and the Society of Real Estate Appraisers. Real Estate Appraisal Terminology, rev. ed. Byrl N. Boyce, ed. (Cambridge, Mass: Ballinger Publishing Company, 1981), Page 69.

Summary Appraisal Report is a written report prepared under Standards Rule 2-2(b) or 8-2(b) of a Complete or Limited Appraisal performed under STANDARD 1 or STANDARD 7.[18]

Taking is the acquisition of a parcel of land though condemnation.[19]

Value is the amount, relative worth, functionality, or importance of an item, which may or may not be equal to price or cost.[20]

1.6 EFFECTIVE DATE OF APPRAISAL

The effective date of appraisal is June 10, 2013.

1.7 TYPE OF PROPERTY

The Utility operates as a special purpose property permitted as a public water and wastewater system. The system is provided the rights thereof by the State of Illinois, and by contract, assemblage, and other means. Such properties have the configuration of a customer base and utilize the local natural resources via permit rights, etc. of the specific community that the facilities, operations, and management serve.

1.8 SPECIALTY PROPERTY – AN ONGOING UTILITY BUSINESS

The Utility includes assets, customers, its service area and all other attributes of a fully functioning utility business. The utility system is considered a special purpose property. There are four (4) criteria which establish whether property should be considered special purpose property:

[18] Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, Published by the Appraisal Foundation, Page U-21.
[19] The Dictionary of Real Estate Appraisal, 4th Edition, Published by the Appraisal Institute, Page 285.
[20] Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets, Second Edition, Published by American Society of Appraisers, Page 594.

a. Uniqueness;
b. Property must be used for a special purpose;
c. No widespread market for the type of property;
d. The property's use must be economically feasible and reasonably expected to be replaced.

The function of this utility property is to supply potable water and wastewater treatment services in specific service areas of the Village. The utility system was specially built for the specific purposes for which it was designed, and continues to be used for those purposes.

There is no question that with any purchase or acquisition of the Utility, that those assets would continue to be substantially used for utility purposes and they would continue to be renewed, replaced and/or maintained for such purposes.

1.9 GOING CONCERN, INTANGIBLES, AND OTHER ITEMS

In the valuation of utility property using the cost approach, it must be recognized that the replacement cost new less depreciation (RCNLD) only represents the component of value of the physical assets. Those assets, however, are not idle, but are used to provide service within the service area to a customer base as part of an ongoing business operation. In other words, the value of a "live" utility functioning as an ongoing business must be considered as part of an appraisal.

Any purchaser would acquire a utility system completely installed and operational with customers taking regular service and therefore, immediately derive revenues at the full complement of connected customers as well as purchase all permitted rights for water supply and operations and the future right to service the remainder of the service area. Similarly, if a purchaser were to construct, in a hypothetical situation, its own utility system, it would not have the ability to generate revenues from a full complement of customers or have the ongoing bundle of rights for this specific geographic area and would be required to successfully obtain permits to provide service and such permits could be contested.

1.10 SUMMARY OF DATA COLLECTION

Data collection on this assignment involved records of GAI, Village records, records of the Village's consulting engineering firms, and other public sources of information.

1.11 SUMMARY OF CONFIRMATION ACTIVITIES

A variety of analyses and surveys were used to confirm and/or cross-check the data and information provided. Calls, comparisons of reports, field inspections, records testing, and comparisons of source information were accomplished.

1.12 SUMMARY OF REPORTING MEASURES

This Report is a Summary Appraisal Report with disclosures included.

1.13 ASSUMPTIONS AND LIMITING CONDITIONS

a. No responsibility is assumed for legal matters, nor is any opinion on the title rendered herewith. We assume that the title to the property is good and marketable.

b. All existing liens and encumbrances, if any, have been disregarded and the property appraised as though it was free and clear.

c. The appraiser has made no survey of the property and, unless specifically stated, assumed there are not encroachments involved.

d. The sketches and maps in this Report are included to assist the reader in visualizing the property and are not necessarily to scale or depict all items above or below ground.

e. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in this Report.

f. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in this Report.

g. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or public entity or organization have been or can be obtained or renewed for any use on which the value estimate in this Report is based.

h. Proposed improvements, if any, on or off-site, as well as any repairs required, are considered for purposes of this appraisal to be completed in a good and workmanlike manner.

i. Furnishings, mobile equipment, tools, or business furniture and utility management items indicated and typically considered as part of real estate and/or major personal property item have been aggregated and valued as general plant.

j. Responsible ownership and competent property management are assumed.

k. It is assumed that there are no hidden or unapparent conditions of the property, soil, or structures which would render it more or less valuable.

Further, unless otherwise stated in this Report, the existence of hazardous material or any other environmental problems or conditions, which may or may not be present on the property, was not observed or disclosed. We have no knowledge of the existence of such materials or conditions on or in such close proximity that it would cause a loss in value. We, however, did not search to detect such substances or conditions. The presence of substances such as asbestos, ureaformaldehyde foam insulation, radon, or other potentially hazardous materials which could have an adverse effect on the value of the property were not observed or detected in our inspections. The value estimate is predicated on the assumption that there is no such material or condition on or in the property that would cause a loss in value. No

responsibility is assumed for any such conditions, or for any expertise or knowledge required to discover them.

l. No responsibility is assumed for the absence or presence of any endangered species on this property. This appraisal assumes that there are no endangered species which would prevent, restrict, or adversely affect any development or improvement of this property.

m. No impact studies and/or special market, or feasibility analysis or studies have been required or made unless otherwise specified. We reserve the right to alter, amend, revise, or rescind any of the statements, findings, opinion, value estimates, or conclusions contained herein if any of these studies require it.

n. Certain data used in compiling this report was furnished from sources which we consider reliable; however, we do not guarantee the correctness of such data, although so far as possible, we have checked and/or verified the same and believe it to be accurate.

o. We have accepted as correct and reliable all information provided by the owner and owner's counsel, or the owner's agents, which was used in the preparation of this Report. All data came from sources deemed reliable, but no liability is assumed for omissions or inaccuracies that subsequently may be disclosed in any data used in the completion of the appraisal.

p. Since the date of value of the property is not an actual trial date, the appraiser reserves the right to consider and evaluate any additional value influencing data and/or other pertinent factors that might become available between the date of this Report and the date of trial if applicable, and to make any adjustments to the Report that may be required.

q. Neither I, nor anyone employed by me, has any present or contemplated interest in the property appraised.

r. Possession of this Report, or copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone except for the client without the prior written consent of the client and in any event, only in its entirely and with proper qualification.

s. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author excepting appropriate Freedom of Information Act requests.

t. Acceptance of, and/or use of, this Report constitutes acceptance of the above conditions and assumptions.

u. No other legal agreements, customer agreements, developer agreements or other utility-related agreements were disclosed or provided and therefore have not been included in this Report.

v. It is assumed that any and all permits and easements can be transferred in the event of an acquisition with minimal effort.

1.14 SIGNIFICANT ASSUMPTIONS

The following significant assumptions were used in this work:

a. No major construction work is in progress, and no hypothecated corrective future construction activity is considered to be accomplished by the Utility.

b. All assets are to be sold “as-is” without warranties or guarantees.

1.15 PROCESS AND PROCEDURES FOLLOWED

The process utilized was confirming the valuation assignment, gathering the necessary information for the appraisal activities, conducting, evaluating and considering the cost approach under a replacement cost new less depreciation in continued use, the income approach, and finally the sales comparison approach. Following the determinations from each distinct approach, Mr. Hartman weighed the approaches utilizing his training,

experience and knowledge of the market and the subject system. Following the weighting of the approaches, an Opinion of Value was determined and reported in this Summary Appraisal Report.

1.16 HIGHEST AND BEST USE

The highest and best use for the Utility is as a public water and wastewater system. Note that the use of the utility system is a monopoly and creates a special purpose property and also has the characteristics of an essential use. Since the assets are specifically designed, configured, and constructed solely for the public water utility system use, no alternate highest and best use was considered.

1.17 APPROPRIATE MARKET USED

The appropriate market for the Utility is as a special purpose utility system providing for utility service in the public utility market.

1.18 EXCLUSIONS

This appraisal has excluded the following aspects of the Utility and those aspects are not included in the Opinion of Value delineated herein:

a. Utility's cash equivalents, accounts receivable and deferred tax assets;
b. Assumption of liabilities of the Utility;
c. Assets owned by other associated parties;
d. Activities, rights, and privileges of other associated parties;
e. Inventory, supplies, wells, water treatment works, storage, pumping, water supply transmission mains, and land; and
f. Records, SOP's, management, and administrative assets.

In other words, this appraisal is of the assets of the Utility.

1.19 DEPARTURES/SCOPE LIMITATIONS

This appraisal has no known departures or scope limitations.

1.20 ASSUMED STANDARD TERMS AND CONDITIONS

The standard terms and conditions commonly used in the water and wastewater industry are assumed for this appraisal (see **Appendix A** for a list of the Standard Terms and Conditions). The purchase price would be as a cash purchase in U.S. Dollars at the time of closing. It is assumed that the property has sufficient time on the market for proper and complete disclosure and investigation by the not-for-profit marketplace. There are no limitations relative to exposure, financing, futures, prepaid or discounted connections, or other factors. We assume that no properties are vested or have prepaid capacity or discounted connections in any fashion whatsoever.

1.21 CLIENT

The Client is the Village of Oakwood, Illinois.