

The estimates of the on-site consumables, inventory, equipment and tools was \$7,000.

The value of the facility records, reports, operations and maintenance, billing records, financials, regulatory records, and other records of the Eastwood Manor water system were estimated at \$53,000.

The market industry standard, if no deferred maintenance and deficiency analysis is conducted, is 5%. Applying that percentage resulted in a negative (\$47,048).

We found no functional depreciation.

External depreciation, in this case, involves the market conditions, regulatory matters, and transactional costs to the buyer discounting the value.

The negative adjustment for external depreciation was found to be \$53,635.

Going concern is the difference between a "live" plant and a "dead" plant. The on-going nature of the customer base, etc. was evaluated, Nichols provides a range between 0% and 25% for water and wastewater utilities. This system is small and old and has had little additional growth recently. The percent applied is 5% or \$42,014.

The resulting replacement cost new less depreciation was found to be \$882,000 rounded.

#### 4.3 NUNDA

The NUNDA water system is presented on **Table 4-4** for this analysis.

A few adjustments and clarifications for **Table 4-4** are presented on **Table 4-5**.

Both **Tables 4-4 and 4-5** are integrated into **Table 4-6**. The RCN was found to be \$1,822,180. The level of physical depreciation was found to be approximately 49% or \$894,846.

Table 4-4  
 Aqua Illinois  
 Nunda Utility Water System  
 Reproduction Costs New Less Depreciation Study <sup>(1)</sup>

General Description	Quantity from Google Earth	Unit	Unit Price	Year Installed	Reproduction Cost New	Age	Average Service Life	Percent Depreciation	Total Depreciation	Reproduction Cost New Less Depreciation
PHASE I										
<b>Distribution System</b>										
6" Water Main	3471	LF	\$ 80.00	1965	\$ 277,680.00	50	80	63%	\$ 173,550	\$ 104,130
6" Valves	6	EA	\$ 700.00	1965	\$ 4,200.00	50	50	85%	\$ 3,570	\$ 630
6" Hydrants with auxillary valves	2	EA	\$ 4,000.00	1965	\$ 8,000.00	50	50	85%	\$ 6,800	\$ 1,200
3/4" Water Service (Main to B-Box)	69	EA	\$ 1,000.00	1965	\$ 69,000.00	50	50	85%	\$ 58,650	\$ 10,350
3/4" Meters	69	EA	\$ 300.00	1974	\$ 20,700.00	41	50	82%	\$ 16,974	\$ 3,726
<b>Subtotal Phase I</b>					<b>\$ 289,880.00</b>				<b>\$ 183,920.00</b>	<b>\$ 105,960.00</b>

PHASE II										
<b>Distribution System</b>										
6" Water Main	3356	LF	\$ 80.00	1974	\$ 268,480.00	41	80	51%	\$ 137,596.00	\$ 130,884.00
6" Valves	4	EA	\$ 700.00	1974	\$ 2,800.00	41	50	82%	\$ 2,296.00	\$ 504.00
6" Hydrants with auxillary valves	7	EA	\$ 4,000.00	1974	\$ 28,000.00	41	50	82%	\$ 22,960.00	\$ 5,040.00
3/4" Water Service (Main to B-Box)	39	EA	\$ 1,000.00	1974	\$ 39,000.00	41	50	82%	\$ 31,980.00	\$ 7,020.00
3/4" Meters	39	EA	\$ 300.00	1984	\$ 11,700.00	31	50	62%	\$ 7,254.00	\$ 4,446.00
<b>Subtotal Phase II</b>					<b>\$ 299,280.00</b>				<b>\$ 162,852.00</b>	<b>\$ 136,428.00</b>

PHASE III										
<b>Distribution System</b>										
6" Water Main	1384	LF	\$ 80.00	1976	\$ 110,720.00	39	80	49%	\$ 53,976.00	\$ 56,744.00
6" Valves	3	EA	\$ 700.00	1976	\$ 2,100.00	39	50	78%	\$ 1,638.00	\$ 462.00
6" Hydrants with auxillary valves	2	EA	\$ 4,000.00	1976	\$ 8,000.00	39	50	78%	\$ 6,240.00	\$ 1,760.00
3/4" Water Service (Main to B-Box)	11	EA	\$ 1,000.00	1976	\$ 11,000.00	39	50	78%	\$ 8,580.00	\$ 2,420.00
3/4" Meters	11	EA	\$ 300.00	1984	\$ 3,300.00	31	50	62%	\$ 2,046.00	\$ 1,254.00

Table 4-4  
 Aqua Illinois  
 Nunda Utility Water System  
 Reproduction Costs New Less Depreciation Study <sup>(1)</sup>

General Description	Quantity from Google Earth	Unit	Unit Price	Year Installed	Reproduction Cost New	Age	Average Service Life	Percent Depreciation	Total Depreciation	Reproduction Cost New Less Depreciation
<b>Subtotal Phase III</b>					\$ 120,820.00				\$ 61,854.00	\$ 58,966.00
<b>PHASE IV</b>										
<b>Distribution System</b>										
6" Water Main	9420	LF	\$ 80.00	1980	\$ 753,600.00	35	80	44%	\$ 329,700.00	\$ 423,900.00
6" Valves	7	EA	\$ 700.00	1980	\$ 4,900.00	35	50	70%	\$ 3,430.00	\$ 1,470.00
6" Hydrants with auxiliary valves	10	EA	\$ 4,000.00	1980	\$ 40,000.00	35	50	70%	\$ 28,000.00	\$ 12,000.00
3/4" Water Service (Main to B-Box)	59	EA	\$ 1,000.00	1990	\$ 59,000.00	25	50	50%	\$ 29,500.00	\$ 29,500.00
3/4" Meters	59	EA	\$ 300.00	1990	\$ 17,700.00	25	50	50%	\$ 8,850.00	\$ 8,850.00
<b>Subtotal Phase IV</b>					\$ 798,500.00				\$ 361,130.00	\$ 437,370.00
<b>PHASE V</b>										
6" Water Main	2655	LF	\$ 80.00	1986	\$ 212,400.00	29	80	36%	\$ 76,995.00	\$ 135,405.00
6" Valves	4	EA	\$ 700.00	1986	\$ 2,800.00	29	50	58%	\$ 1,624.00	\$ 1,176.00
6" Hydrants with auxiliary valves	2	EA	\$ 4,000.00	1986	\$ 8,000.00	29	50	58%	\$ 4,640.00	\$ 3,360.00
3/4" Water Service (Main to B-Box)	10	EA	\$ 1,000.00	1994	\$ 10,000.00	21	50	42%	\$ 4,200.00	\$ 5,800.00
3/4" Meters	10	EA	\$ 300.00	1994	\$ 3,000.00	21	50	42%	\$ 1,260.00	\$ 1,740.00
<b>Subtotal Phase V</b>					\$ 223,200.00				\$ 83,259.00	\$ 139,941.00
<b>Supply</b>										
Pump House Building	1	EA	\$ 10,000.00	1984	\$ 10,000.00	31	75	41%	\$ 4,133.33	\$ 5,866.67
8" Dia. Well- 189' Deep	1	EA	\$ 18,000.00	1949	\$ 18,000.00	66	50	85%	\$ 15,300.00	\$ 2,700.00
8" Dia. Well- 275' Deep	1	EA	\$ 25,000.00	2002	\$ 25,000.00	13	50	26%	\$ 6,500.00	\$ 18,500.00
3 Pneumatic Tanks total 7,000 gal	1	EA	\$ 35,000.00	1984	\$ 35,000.00	31	75	41%	\$ 14,466.67	\$ 20,533.33
Piping	1	EA	\$ 1,500.00	1984	\$ 1,500.00	31	80	39%	\$ 581.25	\$ 918.75
Chlorinators and Tank	1	EA	\$ 1,000.00	1984	\$ 1,000.00	31	25	85%	\$ 850.00	\$ 150.00
<b>Subtotal</b>					\$ 90,500.00				\$ 41,831.25	\$ 48,668.75
<b>TOTAL COST</b>					\$ 1,822,180.00			51%	\$ 894,946.25	\$ 927,233.75

Table 4-4  
 Aqua Illinois  
 Nunda Utility Water System  
 Reproduction Costs New Less Depreciation Study <sup>(1)</sup>

General Description	Quantity from Google Earth	Unit	Unit Price	Year Installed	Reproduction Cost New	Age	Average Service Life	Percent Depreciation	Total Depreciation	Reproduction Cost New Less Depreciation	
Summary of Total											
	From Above		From ICC Report		Stahl's Assets						
6" Water Main	20,286	LF			27650						
6" Valves	24	EA			30						
6" Hydrants with auxiliary valves	23	EA			23						

Opinion of Projected Total Cost of Improvements through December 31, 2015

26500

(1) Taken from Mr. Tony Malone, P.E. of ESI, Inc. No changes are made on this Table.

**Table 4-5  
Adjustments Made to Table 4-1  
For Replacement Cost New Less  
Physical Depreciation – NUNDA**

Item	Quantity	Unit	Adjustments
1.			Table 4-4 unit prices include all overheads and contractor mobilization / demobilization, general conditions, and contractors' profit.
2.			Since the materials and facilities are available in the market, the reproduction is the replacement cost for this system.
3.			The depreciation shown in <b>Table 4-4</b> is the physical depreciation applied in a straight line convention against the physical average service life shown.
4.			The meters and services were reflected in <b>Table 4-4</b> .

**Table 4-6  
NUNDA Replacement Cost New Less Depreciation  
(TPP) plus Going Concern (IP) Summary**

Description	Amount
1. Replacement Cost New	\$1,822,180
2. Physical Depreciation	894,846
3. RCNLPD	<u>\$927,334</u>
4. Consumables & Inventory	5,000
5. Equipment & Tools	2,000
6. Records, Reports, O&M, etc.	56,060
7. Deficiencies & Deferred Maintenance	(49,520)
8. Functional Depreciation	0
<b>Subtotal</b>	<b>\$940,874</b>
9. External Depreciation	(56,452)
10. Going Concern	44,221
<b>RCNLD</b>	<b><u>\$928,643</u></b>
<b>RCNLD Rounded</b>	<b>\$929,000</b>

The resulting RCNLDP is \$927,334.

The estimates of the on-site consumables, inventory, equipment and tools was \$7,000.

The value of the facility records, reports, operations and maintenance information, billing records, financials, regulatory records and other records of the NUNA water system were estimated at \$56,060.

The market industry standard, if no deferred maintenance and deficiency analysis is conducted, is 5%. Applying that percentage resulted in a negative (\$49,520).

We found no functional depreciation.

External depreciation, in this case, involves the market conditions, regulatory matters, and transactional costs to the buyer discounting the amount the buyer is willing to pay. The negative adjustment for external depreciation was found to be \$56,452.

Going concern is the difference between a "live" plant and a "dead" plant. The on-going nature of the customer base, etc. was evaluated. Nichols provides a range between 0% and 25% for water and wastewater utilities. The NUNDA system is small (190 connections) and not new and has little additional growth within its certificated service area where pipelines exist. The percent applied is 5% or \$44,221.

The resulting replacement cost new less depreciation was found to be \$929,000 rounded.

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**SECTION 5**

## SECTION 5 INCOME APPROACH

The purpose of this section of the Report is to consider the applicability and appropriateness of calculating the value of the System based on the income approach. In general, the income approach values the System based on the present value of the available cash flows generated from the ongoing operations of the System. However, in this particular instance there are several unique and mitigating factors which would tend to diminish the importance of the income approach in the determination of value, such that the weighting applied to this approach would be zero.

The income approach requires the use of historic customer growth rates, consumption patterns, weather variability, utility revenues, utility expenses, capital requirements, debt service, current budgets, historic budget variances, etc. These historic data are used to create a "typical" financial year for the utility which is called a Test Year. The Test Year is the starting point for a projection of the utility's financials for some period into the future, typically 20 to 30 years. The present value of the net income of the utility over this projection period is used, along with a potential reversion value (the net income in the last year of the projection period capitalized to reflect ongoing operations in perpetuity) to determine the opinion of value for the income approach. In this particular instance, none of the base data are available to create a Test Year. Aqua is the entity that will purchase each System, They are regulated by the ICC which would have to establish the appropriate rates and charges for each System. The rates that may be approved, as well as operations and maintenance costs, renewal and replacement program, capital improvement program, etc. are purely speculative at this point in time. Therefore, it is nearly impossible to create a proforma financial analysis of each System with any confidence in the results.

Because of the reasons discussed above, I have determined that the income approach is not applicable for these Systems.

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# SECTION 6

## SECTION 6

### COMPARABLE SALES APPROACH

The third approach is the Comparable Sales Approach. This approach provides an indication of value by analyzing recent sales of similar property to the subjects or Eastwood Manor and NUNDA.

This approach is most reliable when the subject property sold at FMV recently or there is an active market providing a sufficient number of sales of comparable properties.

While both systems are special purpose properties and have certain unique characteristics, it is not so unique that the approach is not feasible. There is an active sales market for water utilities nationally.

The systems such as Eastwood Manor and NUNDA sell as complete utility properties with all rights and privileges and as an on-going concern (i.e., a "live" plant versus a "dead" plant).

The water utility market is a monopoly with an exclusive service area which can not be invaded without a special circumstance.

USPAP in the Frequently Asked Question concerning pending sales as a comparable (page F-105); addresses the question as "USPAP does not require the use of a pending sale as a comparable, nor does USPAP prohibit such use". The response continues with the statement that "not considering a pending sale of a property highly similar to the subject could constitute an omission that would significantly affect the appraisal".

A pending sale is North Maine Utilities (NMU) with a water ERC at approximately \$2,200 per ERC.

The selected sales are shown on **Table 6-1**.

These sales have to be time adjusted to the present.

The time adjustment factors are taken from **Table 6-2**.

The effects of the time adjustment are shown on **Table 6-3**.

The average result is \$2,186. NMU approximates that amount as a recent verification. Therefore, for the purposes of this report I am using the amount of \$2,186 per connection for the indicator of market sales.

**Table 6-4** presents the effect of the factor applied to each system as shown below.

**Table 6-1**  
**ILLINOIS WATER SYSTEM**  
**COMPARABLE SALES ANALYSIS**  
**Asset Composition Adjustment**

No.	Name of Utility	Name of Purchaser	System		Water System		
			Type	Year	Alloc P.P.	Conn	\$/Conn
1	Moecheville Water District	Aqua Illinois	W	2012	\$ 1,470,000	400	\$ 3,675.00
2	Village of Philo	Aqua Illinois	W	2004	\$ 599,675	540	\$ 1,110.51
3	Olwen Heights	Pennsylvania American	W	2013	\$ 461,250	175	\$ 2,635.71
4	Claysville Donegal Joint Municipal Authority	Pennsylvania American	W/S	2008	\$ 837,200	550	\$ 1,272.73
5	Mifflin Township Water Authority	Aqua Pennsylvania	W	2012	\$ 1,155,000	600	\$ 1,925.00
6	Town of Waveland	American Water Indiana	W	2009	\$ 800,175	213	\$ 3,756.69
7	Town of Darlington	Aqua Indiana	W	2006	\$ 321,045	315	\$ 1,019.19
8	Wingert Water System	Aqua Texas	W	2012	\$ 1,984,500	1,100	\$ 1,804.09
9	Royal Oaks Water System	Aqua Texas	W	2012	\$ 42,000	40	\$ 1,050.00
10	East Pasco Utilities	Pasco County	W/S	2003	\$ 2,798,127	1,693	\$ 1,652.76
11	Carolina Water Service	Dorchester County	W/S	2006	\$ 994,443	779	\$ 1,276.56
12	Park Manor Waterworks, Inc.	Orange County	W/S	2003	\$ 1,451,580	1,436	\$ 1,010.85

The time adjustment factors are taken from Table 6-2.

Table 6-2							
Escalation Indices							
	FPSC Annual Commission-Apprvd Index of Regulated Water & WW Utilities	U.S. Dept. of Labor Bureau of Labor Stats - Customer Price Index - Avg. All Urban Consumers (CPI-U) US		Engineering News Record Construction Cost Index		Risk Free Rate as calculated from Daily U.S. Treasury Yield Curve Rates	
Year	FPSC Price Deflator	CPI-U		ENR CCI		Ann. Avg Risk Free Rate	
		Index	% Chg.	Index	% Chg.	%	Chg.
1982	9.02%	90.9	6.13%	3,535	8.20%		
1983	5.99%	96.5	3.21%	3,825	6.30%		
1984	4.25%	99.6	4.30%	4,066	1.97%		
1985	3.76%	103.9	3.55%	4,146	1.18%		
1986	3.33%	107.6	1.90%	4,195	2.38%		
1987	3.33%	109.6	3.66%	4,295	2.58%		
1988	2.69%	113.6	4.08%	4,406	2.56%		
1989	2.89%	118.3	4.83%	4,519	2.12%		
1990	4.35%	124.0	5.40%	4,615	2.54%	8.61%	
1991	4.12%	130.7	4.23%	4,732	2.18%	8.14%	-0.47%
1992	4.12%	136.2	3.03%	4,835	3.10%	7.67%	-0.47%
1993	3.63%	140.3	2.95%	4,985	4.51%	6.59%	-1.07%
1994	3.33%	144.5	2.61%	5,210	3.80%	7.37%	0.78%
1995	2.56%	148.2	2.81%	5,408	1.16%	6.88%	-0.49%
1996	1.95%	152.4	2.93%	5,471	2.72%	6.71%	-0.17%
1997	2.49%	156.9	2.34%	5,620	3.67%	6.61%	-0.10%
1998	2.13%	160.5	1.55%	5,826	1.61%	5.58%	-1.03%
1999	2.10%	163.0	2.19%	5,920	2.35%	5.87%	0.30%
2000	1.21%	166.6	3.38%	6,059	2.67%	5.94%	0.07%
2001	1.36%	172.2	2.83%	6,221	1.96%	5.49%	-0.45%
2002	2.33%	177.1	1.59%	6,343	3.07%	5.40%	-0.09%
2003	2.33%	179.9	2.27%	6,538	2.39%	4.96%	-0.44%
2004	1.31%	184.0	2.68%	6,694	6.29%	5.04%	0.09%
2005	1.60%	188.9	3.39%	7,115	4.65%	4.64%	-0.40%
2006	2.17%	195.3	3.23%	7,446	4.10%	4.89%	0.24%
2007	2.74%	201.6	2.85%	7,751	2.77%	4.84%	-0.05%
2008	3.09%	207.3	3.84%	7,966	4.32%	4.28%	-0.56%
2009	2.39%	215.3	-0.36%	8,310	3.13%	4.08%	-0.20%
2010	2.55%	214.5	1.64%	8,570	2.71%	4.25%	0.17%
2011	0.56%	218.1	3.16%	8,802	2.99%	3.91%	-0.34%
2012	1.18%	224.9	2.07%	9,066	2.73%	2.92%	-0.99%
2013	2.41%	229.6	1.46%	9,313	2.50%	3.45%	0.52%
2014	1.63%	233.0	0.88%	9,546	1.61%	3.66%	0.21%
2014	1.41%	235.0		9,699			
30-Yr Avg	2.46%		2.88%		2.89%		
20-Yr Avg	<b>1.96%</b>		<b>2.42%</b>		<b>3.08%</b>	<b>5.16%</b>	
10-Yr Avg	2.01%		2.40%		3.62%	4.23%	
5-Yr Avg	1.44%		1.60%		2.81%	3.72%	
1-Yr Avg						3.66%	
	(Estab. Jan 27, 2014)	(through Mar 2014)		(through Apr 2014)		through 4/22/14	
	(Upd. Apr 23, 2014)	(Upd. Apr 23, 2014)		(Upd. Apr 23, 2014)		(Upd. Apr 23, 2014)	

**Table 6-3**  
**ILLINOIS WATER SYSTEM**  
**COMPARABLE SALES ANALYSIS**  
**Time Adjustment Adjustment**

No.	Name of Utility	Name of Purchaser	System Type	Year	Water System		
					Sale \$/Conn	Time Factor (1)	Adjusted \$/Conn
1	Moecheville Water District	Aqua Illinois	W	2012	\$ 3,675.00	1.073	\$ 3,943.00
2	Village of Philo	Aqua Illinois	W	2004	\$ 1,110.51	1.404	\$ 1,559.00
3	Olwen Heights Claysville Donegal Joint Municipal Authority	Pennsylvania American Pennsylvania American	W W/S	2013 2008	\$ 2,635.71 \$ 1,272.73	1.047 1.202	\$ 2,760.00 \$ 1,530.00
5	Mifflin Township Water Authority	Aqua Pennsylvania	W	2012	\$ 1,925.00	1.073	\$ 2,066.00
6	Town of Waveland	American Water Indiana	W	2009	\$ 3,756.69	1.166	\$ 4,380.00
7	Town of Darlington	Aqua Indiana	W	2006	\$ 1,019.19	1.289	\$ 1,314.00
8	Wingert Water System	Aqua Texas	W	2012	\$ 1,804.09	1.073	\$ 1,936.00
9	Royal Oaks Water System	Aqua Texas	W	2012	\$ 1,050.00	1.073	\$ 1,127.00
10	East Pasco Utilities	Pasco County	W/S	2003	\$ 1,652.76	1.493	\$ 2,468.00
11	Carolina Water Service	Dorchester County	W/S	2006	\$ 1,276.56	1.289	\$ 1,509.00
12	Park Manor Waterworks, Inc.	Orange County	W/S	2003	\$ 1,010.85	1.493	\$ 1,509.00
<b>AVERAGE</b>							<b>\$ 2,186.00</b>

(1) Current ENR CCI is 9,992 which was used for previous year ratios

**Table 6-4  
Market Factor Analysis**

<b>System</b>	<b>Factor</b>	<b># Conn.</b>	<b>Amount</b>
Eastwood Manor	\$2,186	340	\$743,240
NUNA	2,186	190	\$415,340

Rounding the above results in the respective opinions for each system.

The opinion of market sales for TPP and IP are as shown below:

1. Eastwood Manor Water Company - \$743,000
2. NUNA Water Company - \$415,000

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# SECTION 7

**SECTION 7  
 RECONCILIATION OF APPRAISAL APPROACHES**

The cost, income and comparables sales approaches for each Utility System assets to be acquired are considered in this Section. The numeric results for each approach are presented below in **Table 7-1**.

**Table 7-1  
 Results of TPP and IP Appraisal Approaches**

Appraisal Approach	Eastwood Manor W.C.	NUNDA W.C.
Cost	\$882,000	\$929,000
Income	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Comparable Sales	\$743,000	\$415,000

Note: (1) Income approach not applicable due to those reasons, as described in **Section 5**.

The cost approach provides a specific valuation for the properties. Based upon discussions with professional staff and photographs taken by them during the site inspections provide the basis for producing the cost approach. This approach includes the adjustments to the system and the loss of value from physical, functional and external depreciation, when applicable. This approach includes the documented value/cost of the properties and is an accurate representation of the complex, special purpose property. Using this approach, I have valued the Eastwood Manor Water Company at \$882,000 and the NUNDA Water Company at \$929,000. I have quantified the weight for this approach at 90%. Presently, in the marketplace, the cost approach is the most determinate of value. However, due to the uniqueness of this System and potential transaction, and the variability in determination of value of the other approaches, this approach has been given the greatest weight.

The income approach values the utility based on the present value of the available cash flows anticipated to be generated from the ongoing operation of the system. However, in this particular instance there are several unique and mitigating factors which would tend to diminish the importance of the income approach in the determination of value, such that the weighting applied to this approach would be zero. As such, this approach was considered but was not quantified, and thus I have assigned this approach a 0% weighting.

There are numerous sales of water systems in a variety of contexts. Due to this data, I have included the comparable sales approach on this exclusive (monopoly) special purpose property at \$743,000 for the Eastwood Manor Water Company and at \$415,000 for the NUNA Water Company. Based on our consideration of the comparable sales approach, I have quantified the weight of the approach at 10%. In the real-estate marketplace, this approach is more determinative of value. However, given the uniqueness of these systems and the potential transaction, the comparable sales approach has been weighted accordingly.

Based on the analyses conducted for this assignment, my experience and training, and the facts known to me, I conclude the reconciliation with an opinion of value for the Eastwood Manor Water Company PP and IP at \$870,000 and for the NUNDA Water Company TPP and IP at \$880,000 as of May 6, 2015.

The total TPP and IP for this combined singular transaction is \$1,750,000. The allocation of the opinion of value to each system was based upon the number of customers such that neither system customers would have an undue acquisition cost burden. The allocation for the Eastwood Manor constituting 340 of the 530 customers purchased is 64.15%. The allocation for the NUNDA customers constituting 190 of the 530 customers purchased is 35.85%.

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# APPENDIX A

**APPRAISAL CERTIFICATION**

I certify that, to the best of my knowledge and belief, the statements of fact contained in this Report are true and correct. I further certify that the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property which is the subject of this Report, and I have no personal interest or bias with respect to the parties involved. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

My analyses, opinions, and conclusions were developed, and this Report have been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.

The use of this Report is subject to the requirements of the American Society of Appraisers and the State of Illinois relating to review by its duly authorized representatives. As of the date of this Report, Mr. Gerald C. Hartman, P.E., BCEE, ASA has completed the requirements of the continuing education program and testing of the American Society of Appraisers for public utility Accredited Senior Appraisers and the State of Illinois Board of Professional Regulation as applicable to engineers.

For this Report, I have made a personal inspection of the property that is the subject of this Report. Moreover, I have relied upon documentation provided by the AQUA and Client's to AQUA's, ESI and conversations with operational staff as well. All of the above was relied upon for this Report. Except as noted herein, no other person provided significant professional assistance to the person signing this Report.

I have not performed previous assignments within the past three (3) years concerning either the Eastwood Manor or NUNDA water systems. I have not performed an assignment for Goodman Appraisal Consultants, LLC. I have performed three (3) assignments for the purchaser (AQUA) in the past three (3) years. I have performed three (3) other assignments for sellers where AQUA wished to purchase in the past three (3) years and in one (1) of the three (3) sellers representative/consultant/appraiser assignments, AQUA was the successful purchaser.

I do not authorize the out-of-context quoting from or partial reprinting of this Utility Appraisal Report. Further, neither all nor part of this Report shall be disseminated to a third party without prior written consent of Goodman Appraisal Consultants, LLC. Note that this Report was prepared for a specific use and no other use is authorized.



5/20/2015

Gerald C. Hartman, P.E., BCEE, ASA  
Illinois P.E. No. 062-053100  
ASA No. 7542

Date



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# APPENDIX B

## Gerald C. Hartman, PE, BCEE, ASA

### Professional Summary

#### Education

M.S. Duke University, 1976

B.S. Duke University, 1975

#### Registrations/Certifications

Arizona No. 28939

Colorado No. 31200

Florida No. 27703

Georgia No. 17597

Illinois No. 062-053100

Indiana No. 10100292

Kentucky No. 22463

Louisiana No. 30816

Maine No. 10395

Maryland No. 12410

Mississippi No. 12717

Nevada No. 20259

New Mexico No. 15990

New York No. 088623-1

North Carolina No. 15264

Ohio No. 70152

Pennsylvania No. 38216

South Carolina 15389

Tennessee No. 105550

Virginia No. 131184

Wisconsin 32971-6

NCEES National P.E.

No. 20481

American Society of

Appraisers Accredited Senior

Appraiser No. 7542

#### Management Consulting/Valuation/Expert Testimony

Mr. Hartman is an experienced utility engineer and appraiser specializing in utilities and systems. He is a qualified expert witness in the area of utility system valuation and financing, facility siting, certification/service area/franchises and formation/creation, management and acquisition projects. Mr. Hartman is accepted in various Federal Courts, Circuit Courts, Division of Administrative Hearings, Public Service Commissions, arbitration, and quasi-judicial hearings conducted by cities and counties, as a technical expert witness in the areas of utility systems (water, wastewater, stormwater, solid waste, gas and electric), certification/service area/franchises, facility planning, utility conveyance, transmission and distribution, utility resources, utility treatment, engineering, permitting and regulations, utility system design and construction, and utility systems valuation (water, wastewater, stormwater, solid waste, gas, and electric systems), costing and damages.

### Professional Experience

#### Machinery and Technical Specialties, ASA – Public Utilities

Public Utilities Appraisal Specialty Certified, ASA

Tangible Personal Property – VAB, Magistrate

Orange County, FL (2009 and 2010)

Tangible Personal Property – Special Magistrate Osceola

County, FL (2011, 2012, and 2013/2014) Hendry

County, FL (2012 and 2013/2014)

#### 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 500 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 includes:

Skills

Management Consulting  
 Utility System Valuation  
 Expert Witness Services  
 Rates, Fees, and Charges  
 Funding and Financing  
 Utility Certifications,  
 Franchises, Service Areas  
 Economic Evaluations  
 Creditworthiness Analysis  
 Environmental Engineering  
 Water/Wastewater Systems  
 Engineering  
 Stormwater Systems  
 Water Resource Services  
 Electric System Appraisals

Relevant Training/Courses

Numerous AWWA, AWWA,  
 ASCE, WEF, AASE, ASA,  
 NSPE, PE Seminars,  
 Courses, Ethics, Continuing  
 Education (multiple states)  
 USPAP Exams  
 2003,04,09/10  
 ASA ME201, ME202,  
 ME203, ME204 Mach. &  
 Technical Specialties,  
 BV201 Public Utilities,  
 PP201.  
 ASA Public Utilities Specialty  
 Designation Exam Parts I,  
 II, and III Numerous  
 Technical Appraisal  
 Courses/Exams in personal  
 property (tangible &  
 intangible), business  
 valuation, and other areas  
 Appraisal Review &  
 Management ARM 201 and  
 204

Year	Project	Party Represented
2015	O'Fallon Utilities	Private
2015	Mt. Vernon Utilities	Private
2015	Tupelo/Verona Water	Both
2015	Confidential (On-Going)	Confidential
2015	Rolling Oaks Utilities	Bank
2015	Village of Arthur (On-Going)	Village
2015	NFP (On-Going)	NFP
2015	MS Water System Annex	City
2015	Illinois Value Cons.	Confidential
2015	KWRU – Wastewater Utility	Owner
2015	New River Light & Power	Owner
2014	Illinois Value Consulting	Confidential
2014	Citrus County/Duke Energy 1/1/13	County
2014	Minto Prop./SID W&WW&RU	District
2014	North Maine Utilities F.O.	Village
2014	3 Appraisals Review	Glenview
2014	Eastlake W&WW (Condemn)	County
2014	Pebble Creek Utilities W&WW (Con.)	County
2014	Mooreville Water (Condemn) ARM	Attorney
2014	Cauley Creek WRF	Owner
2013	Tega Cay Water and Wastewater	Both
2013	Harrison, Ohio Water	City
2013	Water Management Services	Bank
2013	North Lee Rural Water Association, Tupelo, MS (Partial)	City
2013	NPUC (Cost/Comp) Wastewater	Bank
2013	Progress Energy Florida (Citrus County) TPP 1/1/12	County
2013	Village of Oakwood Water/Wastewater System	Village
2013	Richmond Generation Station (Review)	City
2013	Peru Generation Station (Review)	City
2013	Dover, Delaware Electric System	City
2013	C-51 Reservoir	Owner
2013	C-25 Reservoir	Owner
2013	Eglin Air Force Base	Proposer
2013	Duke Energy (Citrus County) TPP Electric 1/1/13	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 Balstrup – (Condemnation)	Owner
2012	Senoia Water System	County
2011	Pine Island Utility System	Owner
2011	Town of Franklinton Water/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

Affiliations  
 Diplomat – American  
 Academy of Environmental  
 Engineers  
 American Society of  
 Appraisers  
 American Society of Civil  
 Engineers  
 American Water Works  
 Association  
 Florida Engineering Society  
 National Society of  
 Professional Engineers  
 Water and Environment  
 Federation

Year	Project	Party Represented
2010	Fearington Utilities	NFP
2010	Rolling Oaks Water and Wastewater System,	Owner/Bank
2010	Liberty Water – Tall Timbers Wastewater	Owner
2010	Heritage Hills Water and Sewer System, NY	Owner
2010	Waterside Villages of Currituck Waste Water	District
2010	Tindall Hammock Irrigation and Soil	District
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, 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 (Condemnation)	Owner
2010	River Forrest, S.C.	Both
2010	Stonecreek, S.C.	Both
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

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Year	Project	Party Represented
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
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) (Condemnation)	Owner
2005	Village of Royal Palm Beach	Village
2005	Bald Head Island Utilities, Inc.	Village
2005	Broward County	Confidential
2005	Burkim Enterprises, Inc. (Condemnation)	Owner
2005	Lyman Utilities, Inc. Harrison County, MS (Condemnation)	Owner
2004	Quail Meadow Utility Company	County
2004	Silver Springs Shores Regional	County
2004	Matanzas Shores	County
2004	El Dorado Utilities, NM (Condemnation)	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

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2004	Ocean City Utilities	FCURIA/County
2004	People's Water of Donaldsonville, LA (Condemnation)	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	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
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 (Condemnation)	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 (Condemnation)	UCCNSB
2002	Deltona	Conference
2002	Palm Coast	FCURIA
2002	Bald Head Island Utilities, NC	Village
2002	White's Creek - Lincolnshire, SC (Condemnation)	Owner
2002	Bluebird Utilities, Tupelo, MS	NFP
2001-2002	Due Diligence - 260 systems (VA, NC, SC)	Buyer
2001	Shady Oaks	County
2001	Davie/Sunrise	City
2001	Lindale Utilities	County

Gerald C. Hartman, PE, BCEE, ASA | 6

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
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 (Condemnation)	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 (Condemnation)	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 (Condemnation)	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 (Condemnation)	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

Gerald C. Hartman, PE, BCEE, ASA | 7

Year	Project	Party Represented
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
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	Buchanan	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 (Condemnation)	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 (Franchise/Condemnation)	City
1994	St. Lucie County Utilities	City
1994	Marco Island/Marco Shores	Sun Bank
1994	Heater of Seabrook, SC (Condemnation)	Company

Gerald C. Hartman, PE, BCEE, ASA | 8

Year	Project	Party Represented
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 Cnty (Condemnation)	Taylor Woodrow
1993	Atlantic Utilities, Sarasota Cnty (Condemnation)	Company
1993	Alafaya Utilities, Inc.	Bank
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) (Condemnation)	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 (Franchise/Condemnation)	City
1992	Palm Bay – GDU Water and Sewer (Franchise/Condemnation)	City
1992	Sebastian – GDU Water and Sewer	City
1991	Sanibel – Sanibel Sewer System, Ltd.	City
1991	St. Augustine Shores, St. Johns County (Condemnation)	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, Reg. 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 (Condemnation)	Owner
1990	Venice Gardens Utilities, Sarasota County	SSU/Allete
1990	South Hutchinson Services, St. Lucie County	SHS
1990	Indian River Utilities, Inc.	City

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Year	Project	Party Represented
1990	Coraci Landfill (SW) (Condemnation)	Owner
1990	Terra Mar Utility Company	City
1989	Seminole Utility Company, Winter Springs	Topeka/Allete
1989	North Hutchinson Svcs., 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
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 Co., Indian River County	NBWC
1988	Bent Pine Utility Company, Indian River County	BPUC
1988	Country Club Village, SSU	CCV
1987	Sugarmill Utility Co., Florida Land Corporation	FLC
1987	N. Orlando Water & Sewer Co., 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 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,

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Citrus, Hernando, Flagler and St. Johns Counties, as well as elsewhere. Mr. Hartman also provided 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 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 appraisals 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 Dunnellon Impact Fee Case 2013
- + Bay County Revenue Bond Issue Series 2014
- + City of Fernandina Beach, Impact Fee Case and Bond Issue  
City of Fernandina Beach, Revenue Bond Issue, 2013
- + 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, Wholesale and Retail, 2013
- + Bay County Wastewater Rate, Charge and Fee Study, AWT and 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/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

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- + 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/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/Wastewater Rate Study, 1995
- + Okeechobee Utility Authority - Rate and charge study, 1995
- + Southern States - Statewide rate case, 1995

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- + 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 Improv. 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/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/solid waste studies, 1994
- + City of Edgewater, Florida - Water/wastewater/solid waste studies, 1987-90
- + City of Venice, Florida - Reuse studies, 1994
- + City of Port St. Lucie - Water/wastewater studies, 1994

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- + 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.

#### Service Areas and Negotiations

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 some 200 occasions over the past 38 years. He has assisted in the resolution of a similar number of matters without formal testimony.

#### Publications / Presentations

##### Papers/Presentations (Since 1994)

- 2014 Hartman, G.C. and T.L. Hollis "Utility Optimization and Ownership Considerations", Indiana Section AWWA February 12-13, 2014.
- 2013 Hartman, G.C. "Stormwater Reuse/Water Harvesting", Fl. Water & Environment Association, January 24, 2013.
- 2012 Hartman G.C., T.L. Hollis "Optimization of Utility Performance", Florida-CFOA.
- 2007 Hartman, G.C. and Wanielista, M. P. "Stormwater Reuse: The Utility Business Practice." 9th Biennial Conference on Stormwater Research & Watershed Management. May 2, 2007.
- 2005 Wanielista, Marty and G.C. Hartman, "Regional Stormwater Facilities", Stormwater Management for Highways Transportation Research Board TRB AFB60, July 12, 2005.
- 2004 Hartman, G.C., D. Cooper, N. Eckloff and R. Anderson, "Water," The Bond Buyer's Sixth Southeast Public Finance Conference, February 23, 2004.
- 2003 Hartman, G.C., "Utility Valuation," Wake Forest University Law School Seminar Series, February 6-8, 2003.
- 2003 Hartman, G.C., H.E. Schmidt, Jr. and M.S. Davis, "Biosolids Application in Rural DeSoto County, Florida," WEF/AWWA/CWEA Joint Residuals and Biosolids Management Conference, February 19-22, 2003.
- 2003 Hartman, G.C. and Dr. M. Wanielista, "Irrigation Quality Water – Examples and Design Considerations," ASCE Conference, April 4, 2003.

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- 2003 Hartman, G.C., M.A. Rynning and V. Hargray, "Assessing the Water Demands of Commercial Customer," WEF Volume 6, No. 4, July/August 2003 – Utility Executive.
- 2002 Hartman, G.C., M. Sloan, N.J. Gassman, and D.M. Lee, "Developing a Framework to Balance Needs for Consumptive Use and Natural Systems with Water Resources Availability," WEF Watershed 2002 Specialty Conference, February 23-27, 2002.
- 2000 Hartman, G.C., M.A. Rynning, and V. Hargray, "Assessment of Commercial Customer Water Impacts," AWWA 2000.
- 1999 Hartman, G.C. contributing author, Chapter 14B, Nichols on Eminent Domain, RCNLD Valuation of Public Utilities, March 1999 Edition, Release No. 48.
- 1998 Hartman, G.C., "In-House, Outsourcing and the Not-for-Profit Utilities Option," Florida Government Finance Officers Association (FGFOA) Conference, March 27, 1998.
- 1998 Hartman, G.C. and D.P. Dufresne, "Understanding Groundwater Mounds – A Key to Successful Design, Operation and Maintenance of Rapid Infiltration Basins," April 4-7, 1998, FWWA/WET/FPCOA Joint Meeting.
- 1998 Hartman, G.C. and Seth Lehman, "Financing Water Utilities – Acquisition and Privatization Projects," AWWA Annual Conference, June 24, 1998.
- 1997 Hartman, G.C., Seth Lehman, "Financing Utility Acquisitions," AWWA/WEF Joint Management Conference, February 1997.
- 1997 Hartman, G.C., B.V. Breedlove, "Water: Where It Comes From and Where It Goes," FRT & G/FDEP Conference, September 1997.
- 1997 Hartman, G.C., W.D. Wagner, T.A. Cloud, and R.C. Copeland, "Outsourcing Programs in Seminole County," AWWA/WEF/FPCOA Conference, November 1997.
- 1997 Hartman, G.C., M.B. Alvarez, J.R. Voorhees, and G.L. Basham, "Using Color as an Indicator to Comply with the Proposed D/DBP Rule," AWWA, Water Quality Technology Conference, November 1997.
- 1996 Hartman, G.C., M.A. Rynning, and R.A. Terrero, "5-Year Reserve Capacity – Can Customers Afford the Cost?" FSASCE Annual Meeting, 1996.
- 1996 Hartman, G.C., T.A. Cloud, and M.B. Alvarez, "Innovations in Water and Wastewater Technology," Florida Quality Cities, August 1996.
- 1995 Hartman, G.C. and R.C. Copeland, "Utility Acquisitions – Practices, Pitfalls and Management," AWWA Annual Conference, 1995.
- 1995 HHHartman, G.C., "Safe Drinking Water Act," and "Stormwater Utilities," FLC Annual Meeting, 1995.
- 1994 Hartman, G.C. and R.J. Ori, "Water and Wastewater Utility Acquisition," AWWA National Management Specialty Conference, 1994.

Books

Hartman, G.C., *Utility Management and Finance*, (presently under contractual preparation with Lewis Publishing Company/CRC Press).

Vesilind, P.A., Hartman, G.C., Skene, E.T., *Sludge Management and Disposal for the Practicing Engineer*, Lewis Publishers, Inc.; Chelsea, Michigan; 1986, 1988, 1991



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GERALD C HARTMAN  
HARTMAN CONSULTANTS LLC  
2107 WATER KEY DR  
WINDERMERE, FL 34786



*Manuel Flores*  
MANUEL FLORES  
ACTING SECRETARY

*Jay Stewart*  
JAY STEWART  
DIRECTOR

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## APPENDIX C

## Eastwood Manor

### Land Sale #1

Chestnut Drive, Wonder Lake, IL

Date of Sale: January 2015

Site Size: 12,000 square feet

Sale Price: \$16,000

Sale Price per SF: \$1.33

Parcel No: 09-19-304-014

Zoning: Single Family

### Land Sale #2

2711 Parker Lane, Johnsburg, IL

Date of Sale: March 2014

Site Size: 11,700 square feet

Sale Price: \$23,600

Sale Price per SF: \$2.02

Parcel No: 09-23-277-003

Zoning: Single Family

### Land Sale #3

2515 Wall Street, McHenry, IL

Date of Sale: November 2013

Site Size: 11,413 square feet

Sale Price: \$19,000

Sale Price per SF: \$1.66

Parcel No: 09-25-252-001

Zoning: Single Family

### Land Sale #4

N/A, McHenry, IL

Date of Sale: February 2014

Site Size: 13,216 square feet

Sale Price: \$6,500

Sale Price per SF: \$0.49

Parcel No: 10-08-127-011

Zoning: Single Family

## Nunda

### Land Sale #1

Paul Street, Nunda, IL

Date of Sale: June 2014

Site Size: 8,100 square feet

Sale Price: \$33,000

Sale Price per SF: \$4.07

Parcel No: 15-29-328-008

Zoning: Single Family

### Land Sale #2

Bergman Avenue, Nunda, IL

Date of Sale: February 2015

Site Size: 7,000 square feet

Sale Price: \$32,500

Sale Price per SF: \$4.64

Parcel No: 15-29-203-018

Zoning: Single Family

Notes: Same property as Sale #3. Located near water.

### Land Sale #3

Bergman Avenue, Nunda, IL

Date of Sale: July 2013

Site Size: 7,000 square feet

Sale Price: \$30,900

Sale Price per SF: \$4.41

Parcel No: 15-29-203-018

Zoning: Single Family

Notes: Same property as Sale #2. Located near water.

### Land Sale #4

Meadow Lane, Nunda, IL

Date of Sale: January 2014

Site Size: 10,050 square feet

Sale Price: \$48,000

Sale Price per SF: \$4.78

Parcel No: 14-36-458-023

Zoning: Single Family

Notes: Located on a main street and residential street corner.

## Land Sale #5

Peter Avenue, Nunda, IL

Date of Sale: June 2014

Site Size: 8,100 square feet

Sale Price: \$78,000

Sale Price per SF: \$9.63

Parcel No: 15-29-328-024

Zoning: Single Family

## APPENDIX D

Attachment A - APA

**THIS ASSETS PURCHASE AGREEMENT**, dated as of the 29th day of May, 2015, by and between **Eastwood Manor Water Company (“Eastwood”) and Nunda Water Company (“Nunda”)**, (collectively Eastwood and Nunda are referred to as “Sellers”), and **AQUA Illinois, Inc.**, an Illinois corporation (“AQUA”), with reference to the following RECITALS:

**RECITALS**

A. Eastwood owns, maintains and operates a water system known as Eastwood Manor Water Company that provides water service to residents within unincorporated areas in McHenry County, Illinois as depicted on Schedule 1.

B. Nunda owns, maintains and operates a water system known as Nunda Water Company that provides water service to residents within unincorporated areas in McHenry County, Illinois as depicted on Schedule 2.

C. AQUA (“Buyer”) is a public water utility that furnishes retail water service to the public in various portions of the State of Illinois.

D. Sellers desire to sell, and AQUA desires to purchase, certain assets, properties and rights of Sellers owned and used in connection with their Systems, all upon the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the recitals and the covenants, representations, warranties and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

**1. SALE AND PURCHASE OF THE SELLERS’ WATER SYSTEMS ASSETS**

Subject to the terms and conditions hereinafter set forth, AQUA shall purchase from Sellers, and Sellers shall sell, assign, transfer, grant, convey and deliver to AQUA at Closing (hereinafter defined), all of the Systems’ assets, properties and rights of Sellers (whether tangible or intangible, real, personal or mixed) which are held, used or useful in connection with the production, treatment and distribution of water within the Service Areas for the Systems (the “Assets”).

The Assets are being sold free and clear of all mortgages, liens, pledges, security interest, charges, taxes, claims, restrictions and encumbrances of any nature whatsoever.

**1.1 Assets Further Defined**

The Assets shall, without limitation to the definition stated above, include the specific assets, properties and rights of Sellers set forth on Schedule 1.1 (i) for Eastwood and 1.1. (ii). for Nunda, and the following:

- (a) all the land, buildings, pipes, pipelines, wells, pumping stations, storage tanks, standpipes, fire hydrants, treatment facilities, plants, generators, portable emergency generators, structures, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Sellers, or in which Sellers have an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;