



# NEW PORT RICHEY

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April 20, 2016

Mr. James Weeks, Manager Co-Owner  
water@fastestserver.com  
Mr. Rick Miller, Sec./Treasurer Co-Owner  
rmiller6400@aol.com  
Advisor Enterprises  
7552-4 Congress Street  
New Port Richey, Florida 34653

Re: Notice of Intent - Lakewood Villas, Barbara Ann Acres, Silver Oaks Utility Purchases

Dear Mr. Weeks and Mr. Miller,

On April 19, 2016, at its regularly scheduled meeting the City of New Port Richey City Council approved staff's request to begin the financial and the legal process to purchase the Lakewood Villas, Barbara Ann Acres, and Silver Oaks Utilities. As you both recall, in February of 2015 preliminary discussions began. During subsequent discussions, in good faith it was determined that the City would perform a valuation report of the utilities using the firm of McKim & Creed, Incorporated, 1365 Hamlet Avenue, Clearwater, Florida 33765. Mr. Mitchel A. Chiavaroli, P.E., Director of Engineering was the lead consultant tasked with creating the valuation reports. The reports were determined by an average of the asset valuation, income valuation and the comparable sales valuation. With the need to make various assumptions during the valuation process, it was determined a reasonable purchase price for the three (3) utility systems was between \$560,000 and \$610,000. During our January 14, 2016 meeting it was agreed that \$600,000.00 was a fair and equitable offer for the purchase of the utilities based upon the following conditions:

1. New Port Richey City Council approval to begin the process to purchase the Lakewood Villas, Barbara Ann Acres, and Silver Oaks Utilities and allow staff to issue a notice of intent to purchase the above said utilities as requested by the existing utility owners at the agreed purchase price of \$600,000.00.
2. The purchase includes all of the utility's customers and future customers located in the LWV, BAA, and SO service areas. Real property and well with raw water treatment system located at 7251 Cypress Drive, NPR., Fl. 34653.
3. The utility purchasing process follows the 2015 Florida Statute 180.301 **Purchase, sale, or privatization of water, sewer, or wastewater reuse utility by municipality.**
4. Prior to the purchase date, the existing owners shall be permitted to pursue past due receivable customers in whatever legal fashion they wish and keep all revenue recovered for service the utilities provided to them.
5. Accounts delinquent as of the closing/purchase date become the property of the City of New Port Richey.
6. Any funds collected from the accounts subsequent to the closing/purchase date become the property of the City of New Port Richey.



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7. Prior to the closing/purchase date the existing utility owners shall transfer all existing customer deposits to the City of New Port Richey.
8. The City of New Port Richey Finance Director has recommended competitive loan submissions from financial institutions for the securement of funds used to purchase the utilities.
9. New Port Richey City Council approval to accept funding agreement recommended by the City's Finance Director and approve the purchases of the utilities.
10. It has been agreed to by all parties the purchase of the Utilities will conclude by January 1, 2017 unless an extension is approved by both parties in writing 30 days prior to the January 1, 2017 date called out in this NOI agreement.

By execution of this Notice of Intent, all parties agree in good faith to move forward with the sell and purchase of the LWV, BAA, & SO utilities. Please feel free to contact me should you have any questions or require additional information as this process moves forward.

Sincerely,

Robert M Rivera  
Public Works Director  
City of New Port Richey

James Weeks  
Manager, Co-Owner  
LWV,BAA,SO Utilities

Rick Miller  
Sec./Treasurer, Co-Owner  
LWV,BAA,SO Utilities

Attest

Amanda Grisko

cc: Debbie Manns, CM NPR

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