Neighborhood Utilities
2010 Annual Water Quality Report

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

Except where indicated otherwise, this report is based on results of our monitoring for the period January 1st to December 31st 2010. As authorized and approved by the EPA, the State has reduced monitoring requirements for certain contaminants to less often than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of our data, though representative, is more than one year old.

Mark of Excellence

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

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

Safe Drinking Water Act

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

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

Where Does My Water Come From?

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

Our primary drinking water supply is 2 wells from a ground water source called the Floridan Aquifer System. This aquifer is one of the major sources of ground water in the United States covering a total area of about 100,000 square miles. It underlies all of Florida, southern Georgia, and small parts of adjacent Alabama and South Carolina. Our ground water supply is not exposed to air and is not subject to direct pollution and contamination like a river or a reservoir. In fact, groundwater is the safest and highest quality water available to meet the public health demand of water intended for human consumption. Due to this, the only treatment of drinking water required for our system is aeration for odor control and chlorination for disinfection.

In 2010, the Department of Environmental Protection has performed a Source Water Assessment on our system and a search of the data sources indicated no potential sources of contamination near our wells. The assessment results are available on the FDEP Source Water Assessment and Protection Program website at www.dep.state.fl.us/swapp.

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

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

For More Information

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

What's In My Water?

We are pleased to report that the water delivered to your home or business complied with, or did better than, all state and federal drinking water requirements. For your information, we have compiled a list in the table below showing what contaminants were detected in our drinking water during 2010, or before if applicable. Although all of the contaminants listed below are under the Maximum Contaminant Level (MCL) set by U.S. EPA, and therefore not expected to cause any health risks, we feel it is important that you know exactly what was detected and how much of the contaminant was present in the water.

Table Definitions:

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

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

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

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

Parts per million (ppm): *one part by weight of analyte to 1 million parts by weight of the water sample.* One part per million (or milligrams per liter) is equivalent to one penny in $10,000.

Parts per billion (ppb) or Micrograms per liter (µg/l): *one part by weight of analyte to 1 billion parts by weight of the water sample***.** One part per billion (or micrograms per liter) is equivalent to one penny in $10,000,000.

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

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

NON-SECONDARY CONTAMINANTS TABLE

Total coliform bacteria: Highest Monthly Percentage/Number is the highest monthly number of positive samples for systems collecting fewer than 40 samples per month. Highest Monthly Percentage/Number is the highest monthly percentage of positive samples for systems collecting at least 40 samples per month.						
Microbiological Contaminants						
Contaminant and Unit of Measurement	**Dates of sampling (mo./yr.)**	**MCL Violation Y/N**	**Highest Monthly Percentage/Number**	**MCL G**	**MCL**	**Likely Source of Contamination**
2. Fecal coliform and *E.coli*	1/10 – 12/10	n	0	0	0*	Human and animal fecal waste

TEST RESULTS TABLE

Inorganic Contaminants							
Contaminant and Unit of Measurement	**Dates of sampling (mo./yr.)**	**MCL Violation Y/N**	**Level Detected**	**Range of Results**	**MCL G**	**MCL**	**Likely Source of Contamination**
Arsenic (ppb)	10/2009	N	0.2	N/A	N/A	10	Erosion of natural deposits; runoff from orchards; runoff from glass and electronics production wastes
Barium (ppm)	10/2009	N	0.015	N/A	2	2	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits
Cyanide (ppb)	10/2009	N	2.8	N/A	200	200	Discharge from steel/metal factories; discharge from plastic and fertilizer factories
17. Lead (point of entry) (ppb)	10/2009	N	0.1	N/A	N/A	15	Residue from man-made pollution such as auto emissions and paint; lead pipe, casing, and solder

Lead and Copper (Tap Water)							
Contaminant and Unit of Measurement	**Dates of sampling (mo./yr.)**	**AL Violation Y/N**	**90th Percentile Result**	**No. of sampling sites exceeding the AL**	**MCLG**	**AL (Action Level)**	**Likely Source of Contamination**
Copper (tap water) (ppm)	6/2008	N	0.0045	0 of 10	1.3	1.3	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Lead (tap water) (ppb)	6/2008	N	0.1	0 of 10	0	15	Corrosion of household plumbing systems, erosion of natural deposits

Fluoride (ppm)	3/2006	N	0.47	N/A	4	4.0	Erosion of natural deposits; discharge from fertilizer and aluminum factories. Water additive which promotes strong teeth when at optimum levels between 0.7 and 1.2 ppm
Nitrate (as Nitrogen) (ppm)	8/2010	N	0.055	N/A	10	10	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
Nitrite (as Nitrogen) (ppm)	8/2010	N	0.01	N/A	1	1	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
Sodium (ppm)	6/2010	N	19	N/A	N/A	160	Salt water intrusion, leaching from soil

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

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

Contaminant and Unit of Measurement	**Dates of sampling (mo./yr.)**	**MCL Violation Y/N**	**Level Detected**	**Range of Results**	**MCLG or MRDLG**	**MCL or MRDL**	**Likely Source of Contamination**
Chlorine (ppm)	1/10-12/10	N	1.47	0.4-2.2	MRDLG=4	MRDL = 4.0	Water additive used to control microbes
81. Haloacetic Acids (five) (HAA5) (ppb)	9/2009	N	4.5	N/A	NA	MCL = 60	By-product of drinking water disinfection
TTHM [Total trihalomethanes] (ppb)	9/2009	N	6.68	N/A	N/A	MCL = 80/100	By-product of drinking water disinfection

Coliforms are bacteria that are naturally present in the environment and are used as an indicator that other, potentially-harmful, bacteria may be present. Coliform was found in August 2009 and this was a warning of potential problems. The Total Coliform Rule requires water systems to meet a stricter limit for coliform bacteria. Coliform bacteria are usually harmless, but their presence in water can be an indication of disease-causing bacteria. When coliform bacteria are found, special follow-up tests are done to determine if harmful bacteria are present in the water supply. If this limit is exceeded, the water supplier must notify the public by newspaper, television or radio. To comply with the stricter regulation, we have increased the average amount of chlorine in the distribution system.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Neighborhood Utilities is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water

for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at *http://www.epa.gov/safewater/lead*.

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

Contaminants that may be present in source water include:

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

(B) Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

(C) Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.

(D) Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.

(E) Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.

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

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

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

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