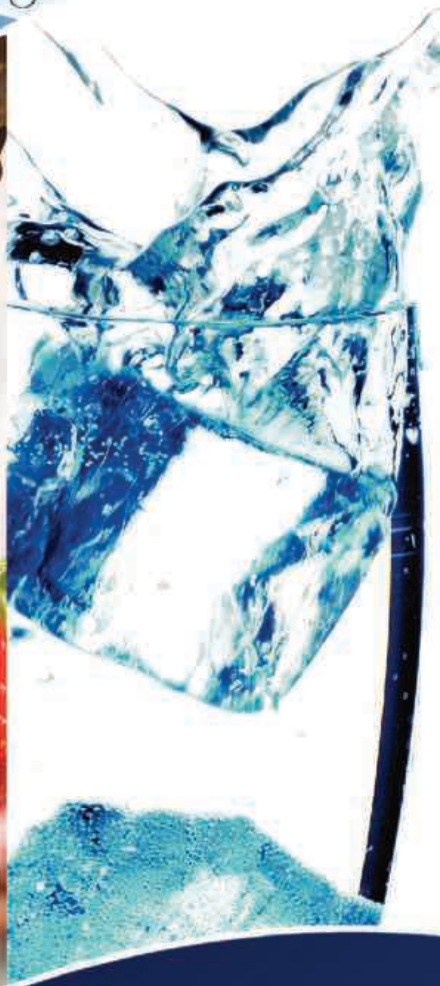
ANNUAL WATER QUALITY REPORT

WATER TESTING PERFORMED IN 2014



Presented By
Peoples Water Service Company of Florida, Inc.

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Our Mission Continues

Peoples Water Service Company of Florida, Inc., is once again proud to present our annual water quality report covering all testing performed between January 1 and December 31, 2014. Most notably, last year marked the 40th anniversary of the Safe Drinking Water Act (SDWA). This rule was created to protect public health by regulating the nation's drinking water supply. We celebrate this milestone as we continue to manage our water system with a mission to deliver the best-quality drinking water. By striving to meet the requirements of SDWA, we are ensuring a future of healthy, clean drinking water for years to come.

Please let us know if you ever have any questions or concerns about your water.

Where Does My Water Come From?

Peoples Water Service Company of Florida, Inc., currently has five water treatment plants, which pump/withdraw water from the Sand and Gravel Aquifer. This aquifer is estimated to be 6,500 square miles in size and is used by many water utility companies in Southern Alabama and along the Florida Panhandle. During the year, our treatment facilities provided a total of 833 million gallons of water, averaging about 69 million gallons per month, or 2.3 million gallons each day of clean drinking water to our customers' homes and businesses.

Important Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised people such as those with cancer undergoing chemotherapy, those who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. The U.S. EPA/CDC (Centers for Disease Control and Prevention) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline at (800) 426-4791 or http://water.epa.gov/drink/hotline.

Substances That Could Be in Water

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:

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

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.

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

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.

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 U.S. 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 that 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 (800) 426-4791.

Lead in Home Plumbing

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. We are responsible for providing high-quality drinking water, but we 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 www.epa.gov/safewater/lead.

Water Main Flushing

Distribution mains (pipes) convey water to homes, businesses, and hydrants in your neighborhood. The water entering distribution mains is of very high quality; however, water quality can deteriorate in areas of the distribution mains over time. Water main flushing is the process of cleaning the interior of water distribution mains by sending a rapid flow of water through the mains.

Flushing maintains water quality in several ways. For example, flushing removes sediments like iron and manganese. Although iron and manganese do not themselves pose health concerns, they can affect the taste, clarity, and color of the water. Additionally, sediments can shield microorganisms from the disinfecting power of chlorine, contributing to the growth of microorganisms within distribution mains. Flushing helps remove stale water and ensures the presence of fresh water with sufficient dissolved oxygen and disinfectant levels, and an acceptable taste and smell.

During flushing operations in your neighborhood, some short-term deterioration of water quality, though uncommon, is possible. You should avoid tap water for household uses at such times. If you do use the tap, allow your cold water to run for a few minutes at full velocity before use, and avoid using hot water to prevent sediment accumulation in your hot water tank.

Please contact us if you have any questions or if you would like more information on our water main flushing schedule.

Water Conservation

You can play a role in conserving water and save yourself money in the process by becoming conscious of the amount of water your household is using and by looking for ways to use less whenever you can. It is not hard to conserve water. Here are a few tips:

- Automatic dishwashers use 15 gallons for every cycle, regardless of how many dishes are loaded. So get a run for your money and load it to capacity.
- Turn off the tap when brushing your teeth.
- Check every faucet in your home for leaks. Just a slow drip can waste 15 to 20 gallons a day. Fix it and you can save almost 6,000 gallons per year.
- Check your toilets for leaks by putting a few drops of food coloring in the tank. Watch for a few minutes to see if the color shows up in the bowl. It is not uncommon to lose up to 100 gallons a day from an invisible toilet leak. Fix it and you save more than 30,000 gallons a year.
- Use your water meter to detect hidden leaks. Simply turn off all taps and water-using appliances. Then check the meter after 15 minutes. If it moved, you have a leak.

QUESTIONS?

For more information about this report, or for any questions relating to your drinking water, please contact Mark Cross, General Manager, at (850) 455-8552 or email CustomerService@PeoplesWaterService.Com.

Source Water Assessment

In 2014, the Florida Department of Environmental Protection performed a Source Water Assessment on our system. The assessment was conducted to provide information about any potential sources of contamination in the vicinity of our wells. There are 5 potential sources of contamination identified for our system, with low to moderate susceptibility levels. Potential sources of contamination identified include underground petroleum storage tanks, dry cleaning facilities, wastewater treatment plants, and a state-funded cleanup site. The assessment results are available on the FDEP Source Water Assessment and Protection Program Web site at www.dep.state.fl.us/swapp.

What Causes the Pink Stain on Bathroom Fixtures?

The reddish-pink color frequently noted in bathrooms on shower stalls, tubs, tile, toilets, sinks, toothbrush holders and on pets' water bowls is caused by the growth of the bacterium Serratia marcesens. Serratia is commonly isolated from soil, water, plants, insects, and vertebrates (including man). The bacteria can be introduced into the house through any of the above-mentioned sources. The bathroom provides a perfect environment (moist and warm) for bacteria to thrive.

The best solution to this problem is to continually clean and dry the involved surfaces to keep them free from bacteria. Chlorine-based compounds work best, but keep in mind that abrasive cleaners may scratch fixtures, making them more susceptible to bacterial growth. Chlorine bleach can be used periodically to disinfect the toilet and help to eliminate the occurrence of the pink residue. Keeping bathtubs and sinks wiped down using a solution that contains chlorine will also help to minimize its occurrence.

Serratia will not survive in chlorinated drinking water.

Tip Top Tap

The most common signs that your faucet or sink is affecting the quality of your drinking water are discolored water, sink or faucet stains, a buildup of particles, unusual odors or tastes, and a reduced flow of water. The solutions to these problems may be in your hands.

Kitchen Sink and Drain

Hand washing, soap scum buildup, and the handling of raw meats and vegetables can contaminate your sink. Clogged drains can lead to unclean sinks and backed up water in which bacteria (e.g., pink and black slime) can grow and contaminate the sink area and faucet, causing a rotten egg odor. Disinfect and clean the sink and drain area regularly. Also, flush regularly with hot water.

Faucets, Screens, and Aerators

Chemicals and bacteria can splash and accumulate on the faucet screen and aerator, which are located on the tip of faucets and can collect particles like sediment and minerals, resulting in a decreased flow from the faucet. Clean and disinfect the aerators or screens on a regular basis.

Check with your plumber if you find particles in the faucet screen as they could be pieces of plastic from the hot water heater dip tube. Faucet gaskets can break down and cause black, oily slime. If you find this slime, replace the faucet gasket with a higher-quality product. White scaling or hard deposits on faucets and shower heads may be caused by hard water or water with high levels of calcium carbonate. Clean these fixtures with vinegar or use water softening to reduce the calcium carbonate levels for the hot water system.

Water Filtration and Treatment Devices

A smell of rotten eggs can be a sign of bacteria on the filters or in the treatment system. The system can also become clogged over time, so regular filter replacement is important. (Remember to replace your refrigerator filter!)

Benefits of Chlorination

Disinfection, a chemical process used to control disease-causing microorganisms by killing or inactivating them, is unquestionably the most important step in drinking water treatment. By far the most common method of disinfection in North America is chlorination.

Before communities began routinely treating drinking water with chlorine (starting with Chicago and Jersey City in 1908), cholera, typhoid fever, dysentery, and hepatitis A killed thousands of U.S. residents annually. Drinking water chlorination and filtration have helped to virtually eliminate these diseases in the U.S. Significant strides in public health are directly linked to the adoption of drinking water chlorination. In fact, the filtration of drinking water plus the use of chlorine is probably the most significant public health advancement in human history.

How Is My Water Treated and Purified?

Peoples Water Service Company of Florida, Inc.'s methods of treating your water conform to the Florida Department of Environmental Protection's Chapter 62-550 Drinking Water Standards, Monitoring, and Reporting. Our treatment processes consist of a series of steps. The raw water is withdrawn from our water source (the Sand and Gravel Aquifer) and sent to the treatment facilities. The water then goes to a contact area where specific chemicals are added to meet state and federal requirements. Hydrated lime is added for pH adjustment, chlorine (gas) is added for disinfection, and a corrosion inhibitor is added to assist in protecting the distribution system pipes. In addition, we have incorporated two sets of granular activated carbon filter systems to assist in the removal of man-made contaminants. After the water has completed the treatment process, it is then pumped into storage facilities and to your home or business.

Sampling Results

During the past year, Peoples Water Service Company of Florida, Inc., has taken hundreds of water samples in order to determine the presence of any radioactive, biological, inorganic, volatile organic, or synthetic organic contaminants. The tables below show only those contaminants that were detected in the water. The state requires us to monitor for certain substances less often than once per year because the concentrations of these substances do not change frequently. In these cases, the most recent sample data are included, along with the year in which the sample was taken.

PRIMARY REGULATED CONTAMINANTS

Microbiological Contaminants

CONTAMINANT AND UNIT OF MEASUREMENT	DATE OF SAMPLING (MO./YR.)	MCL VIOLATION (YES/NO)	HIGHEST MONTHLY PERCENTAGE	MCLG	MCL	LIKELY SOURCE OF CONTAMINATION
Total Coliform Bacteria (% positive samples)	Jan-Dec 2014	No	2.33	0	Presence of coliform bacteria in 5% of monthly samples	Naturally present in the environment

Radioactive Contaminants

CONTAMINANT AND UNIT OF MEASUREMENT	DATE OF SAMPLING (MO./YR.)	MCL VIOLATION (YES/NO)	LEVEL DETECTED	RANGE OF RESULTS	MCLG	MCL	LIKELY SOURCE OF CONTAMINATION
Alpha Emitters (pCi/L)	Jan 2008 and Jan-Feb 2014	No	3.2	ND–3.2	0	15	Erosion of natural deposits
Radium 226 + 228 [Combined Radium] (pCi/L)	Jan-Feb 2014	No	3.0	0.2–3.0	0	5	Erosion of natural deposits
Uranium (ppb)	Sept 2011-Sept 2012	No	0.32	ND–1.1	0	30	Erosion of natural deposits

Inorganic Contaminants

Barium (ppm)	Jan-Feb 2014	No	0.036	0.022–0.036	2	2	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposits
Cyanide (ppb)	Jan-Feb 2014	No	23	ND–23	200	200	Discharge from steel/metal factories; Discharge from plastic and fertilizer factories
Lead [point of entry] (ppb)	Jan-Feb 2014	No	2.0	ND–2.0	NA	15	Residue from man-made pollution such as auto emissions and paint; Lead pipe, casing, and solder
Nickel (ppb)	Jan-Feb 2014	No	2.2	ND–2.2	NA	100	Pollution from mining and refining operations; Natural occurrence in soil
Nitrate [as Nitrogen] (ppm)	Jan-Feb 2014	No	2.36	ND–2.36	10	10	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Sodium (ppm)	Jan-Feb 2014	No	35	ND–35	NA	160	Salt water intrusion; Leaching from soil

Volatile Organic Contaminants

Tetrachloroethylene (ppb)	Jan-Dec 2014	No	1.66	ND–2.1	0	3	Discharge from factories and dry cleaners

Stage 2 Disinfectants and Disinfection By-Products

CONTAMINANT AND UNIT OF MEASUREMENT	DATE OF SAMPLING (MO./YR.)	MCL VIOLATION (YES/NO)	LEVEL DETECTED	RANGE OF RESULTS	MCLG OR [MRDLG]	MCL OR [MRDL]	LIKELY SOURCE OF CONTAMINATION
Chlorine (ppm)	Jan-Dec 2014	No	0.65	0.59–0.70	[4]	[4.0]	Water additive used to control microbes
TTHM [Total trihalomethanes]–Stage 2 DDBP (ppb)	Oct 2013-July 2014	No	2.25	ND–3.9	NA	80	By-product of drinking water disinfection

Lead and Copper (Tap water samples were collected from sites throughout the community.)

CONTAMINANT AND UNIT OF MEASUREMENT	DATE OF SAMPLING (MO./YR.)	AL EXCEEDANCE (YES/NO)	90TH PERCENTILE RESULT	NO. OF SAMPLING SITES EXCEEDING THE AL	MCLG	AL (ACTION LEVEL)	LIKELY SOURCE OF CONTAMINATION
Copper [tap water] (ppm)	June 2014	No	0.5	0	1.3	1.29	Corrosion of household plumbing systems; Erosion of natural deposits; Leaching from wood preservatives
Lead [tap water] (ppb)	June 2014	No	3.5	1	0	15	Corrosion of household plumbing systems; Erosion of natural deposits

Definitions

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

MCL (Maximum Contaminant Level): 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.

MCLG (Maximum Contaminant Level Goal): 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.

MRDL (Maximum Residual Disinfectant Level): 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.

MRDLG (Maximum Residual Disinfectant Level Goal): 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.

NA: Not applicable

ND (Not detected): Indicates that the substance was not found by laboratory analysis.

pCi/L (picocuries per liter): A measure of radioactivity.

ppb (parts per billion): One part substance per billion parts water (or micrograms per liter).

ppm (parts per million): One part substance per million parts water (or milligrams per liter).