

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED

JUL 10 1997

11:10

FPSC - Records/Reporting

M E M O R A N D U M

JULY 10, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO) *JB*

FROM: DIVISION OF WATER & WASTEWATER (MESSER, REDEMANN) *SSM*
DIVISION OF LEGAL SERVICES (JAEGER) *JP*

RE: DOCKET NO. **960907-WS** - APPLICATION FOR AMENDMENT OF
CERTIFICATES NOS. 306-W AND 255-S BY SOUTHERN STATES
UTILITIES, INC.
COUNTY: CHARLOTTE AND LEE COUNTIES

AGENDA: JULY 15, 1997 - REGULAR AGENDA - THE PORTION OF ISSUE 2
ADDRESSING DENIAL OF THE WAIVER OF PLANT CAPACITY CHARGES
FOR THE 45 UNOCCUPIED LOTS IS PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: EMERGENCY ITEM

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\960907WS.RCM

DOCUMENT NUMBER-DATE

06926 JUL 10 97

FPSC-RECORDS/REPORTING

DOCKET NO. 960907-WS
DATE: July 10, 1997

CASE BACKGROUND

Florida Water Services Corporation (formerly Southern States Utilities, Inc., and hereinafter, Florida Water or utility) provides water and wastewater service to approximately 83,286 water customers and 43,527 wastewater customers in 28 counties in Florida. The utility's 1995 annual report shows an annual operating revenue of \$52,077,478 and a net operating income of \$2,356,915. The utility is a Class A utility company under FPSC jurisdiction.

On August 12, 1996, Florida Water filed an application for amendment of Certificate Nos. 306-W and 255-S to add territory in Charlotte and Lee Counties. The utility proposed to provide service to two separate areas. The first area is known as Burnt Store Colony (the Colony), a mobile home park with approximately 190 current residents and the potential for an additional 45 residents. This mobile home park was granted exempt status as a non-profit entity, in Order No. PSC-97-0035-FOF-WS, issued January 7, 1997. The Colony area would be added to the utility's water territory only. The second area is the Burnt Store Marina Hotel (the Marina Hotel), a planned hotel development of 100 units. Florida Water would provide both water and wastewater service to the Marina Hotel.

On September 9, 1996, the City of Cape Coral (the City or Cape Coral), a municipality located within Lee County, filed a timely objection to Florida Water's application. On September 30, 1996, the utility filed a Motion to Dismiss the City's objection. A stipulation to resolve the dispute between the parties was received in the Commission's Division of Legal Services on March 4, 1997, and placed in the docket file on March 14, 1997.

Staff originally planned to file the recommendation concerning the amendment in May. However, additional concerns about the transfer portions of the amendment required additional investigation. During this time the status of the Burnt Store Colony reverse osmosis plant has deteriorated to the point where the Department of Environmental Protection has issued boiled water notices. Therefore, this has been filed as an emergency recommendation.

DOCKET NO. 960907-WS
DATE: July 10, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the stipulation between Florida Water and the City?

RECOMMENDATION: Yes, the Commission should approve the stipulation between Florida Water and the City and acknowledge the withdrawal of the objection and the motion to dismiss filed in this proceeding. (JAEGER)

STAFF ANALYSIS: As stated in the case background, On September 9, 1996, the City filed a timely objection to Florida Water's application for amendment. The City argued that it had standing to object to a grant of the application because such a grant would violate: 1) Chapter 71-585, Laws of Florida, a special law which purportedly grants the City the authority, procedures, and power to determine, fix and change rates to be charged and collected by a public utility for its water and wastewater services within the municipal jurisdiction of the City; 2) the City's ordinances passed pursuant to the special law; 3) Chapter 180; and 4) the City's comprehensive plan.

On September 30, 1996, Florida Water filed a Motion to Dismiss the City's objection. The utility argued that the City lacked standing to object on the basis of Chapter 71-585, Laws of Florida, or the City ordinances adopted pursuant to it, as the special law had been superseded and repealed by Chapter 367. Further, the utility argued that the City lacked standing to object on the basis of a Chapter 180 violation, as the Commission does not have authority to enforce or interpret Chapter 180 and on the basis of a violation of its comprehensive plan because all of the alleged violations pertain not to providing service, but to design, permitting, and environmental considerations not yet ripe for consideration, but based on speculation as to facility development.

Staff filed a recommendation on the utility's motion on December 5, 1996, and a revised recommendation on January 9, 1997. At the parties' request, the case was deferred from the Commission's December 17, 1996 and January 21, 1997 Agenda Conferences to allow the parties additional time to settle their dispute.

A stipulation to resolve the dispute between the parties was received in the Commission's Division of Legal Services on March 4, 1997, and placed in the docket file on March 14, 1997. In the stipulation, the parties state that on January 17, 1997, the utility sent a letter to the City, wherein it provided evidence and assurances that any extension of its service into the City's

DOCKET NO. 960907-WS

DATE: July 10, 1997

jurisdictional boundaries would not violate any section of the City's comprehensive plan. The parties further provide that the City accepts the contents of the letter as true and that its concerns are satisfied with regard to its comprehensive plan. Accordingly, the City withdraws its objection to the utility's application and the utility withdraws its motion to dismiss the City's objection. The parties further state that the City, in withdrawing its objection, has not waived any right it may have, now or in the future, to raise the issue of regulation of the utility pursuant to Chapter 71-585, Laws of Florida, Chapter 180, Florida Statutes, and the City ordinances adopted pursuant to those laws. The parties request that the Commission incorporate this stipulation into a final order acknowledging the City's withdrawal of its objection and the utility's withdrawal of its motion to dismiss.

Staff believes that the stipulation between the parties is reasonable. Accordingly, staff recommends that the Commission approve the stipulation and acknowledge the withdrawal of the objection and the motion to dismiss filed in this proceeding. The Commission order will incorporate the acknowledgement of the City's withdrawal of its objection and the utility's withdrawal of its motion to dismiss in its order approving the stipulation.

DOCKET NO. 960907-WS
DATE: July 10, 1997

ISSUE 2: Should the transfer of the Burnt Store Colony system to Florida Water and amendment of Water Certificate No. 306-W and Wastewater Certificate No. 255-S be approved?

RECOMMENDATION: Yes, the transfer should be approved and the amendment should be granted for the additional territory described in Attachment A, and in the revised description of the utility's existing territory in Attachment B. Florida Water should be required to amend its current service availability policy to address the special circumstances of this case and future similar cases, by filing a revised tariff within 30 days of the date of the Order. The waiver of the plant capacity charges for the 45 currently unoccupied lots as specified in the purchase and sale agreement should not be approved. (MESSER, REDEMANN)

STAFF ANALYSIS: This issue deals with the transfer of customers of the Burnt Store Colony system as specified in the purchase and sale agreement, and also the overall request for amended territory including the future hotel (as mentioned in the case background).

Purchase and Sale Agreement

On April 9, 1997, Florida Water entered into a purchase and sale agreement with the Colony, currently an exempt utility under Section 367.022, Florida Statutes (nonprofit exemption). The agreement states that the Colony will pay the entire costs of interconnecting to Florida Water for water service. These costs are estimated to be between \$10,000 - \$15,000. The Colony will also pay the meter installation and initial connection charges (\$90 and \$15, respectively) for the current 190 occupied lots. With regard to the 45 unoccupied lots, the contract states that the Colony will also pay the meter installation and initial connection charges at the time the lots become occupied, to Florida Water. Finally, the contract states that no other service availability charges will apply to current or future customers within the park.

Florida Water intends to record the transaction as follows: (1) the estimated value of the Association's distribution assets, approximately \$71,687 as set forth in an original cost evaluation, will be booked to plant-in-service; (2) an equal amount will be recorded as contribution-in-aid-of construction (CIAC); (3) \$25,987 will be booked to accumulated depreciation to reflect depreciation on the distribution assets since 1982, the original installation date; and (4) a corresponding entry for accumulated amortization of CIAC will be booked. Florida Water will acquire the subject distribution facilities as donated properties in exchange for a \$10.00 nominal payment by Florida Water. Thus, the distribution system will be essentially fully contributed, and will have no

DOCKET NO. 960907-WS
DATE: July 10, 1997

effect on the rate base of the existing Florida Water Burnt Store system.

Florida Water has kept the staff informed of the special circumstances involved in this case. The Colony's reverse osmosis plant has been rapidly declining, being cited by the Department of Environmental Protection, and most recently the subject of boiled water notices. Staff believes that the purchase and sale agreement was negotiated in the spirit of Florida Water attempting to make the interconnection of existing Colony customers as reasonable as possible, since the Colony had no other viable option except to interconnect with Florida Water. However, the staff has struggled with the issues of potential rate discrimination and consistency with past Commission decisions regarding forced interconnections on the one hand, and the reasonableness of the purchase agreement on the other hand.

In recent cases involving forced interconnections, the Commission has required the application of service availability charges. North Fort Myers utility interconnected several mobile home communities in 1993 and 1994 to its wastewater system (D-931164-SU, Order No. PSC-94-0450-FOF-SU, Carriage Village; D-940963-SU, Order No. PSC-96-0675-FOF-SU, Tamiami Village Utility; D-930373-SU, PSC Order No. 94-1553-FOF-SU, Lake Arrowhead). In each case, homeowners in the acquired utility system were required to pay the service availability charge of North Fort Myers. However, the petitions by North Fort Myers in each case stated that the charges would be used to pay for the costs of interconnection including main extensions and lift station upgrades, which was estimated to be approximately the same as the total contributions-in-aid-of-construction (CIAC) collected.

In this case, the current customers of the Colony agreed up front to pay for all costs of interconnection. As stated earlier, these are estimated to be between \$10-\$15,000. However, the collection of \$700 from 190 residents would have resulted in CIAC collections of \$133,000 for Florida Water. The staff informally questioned Florida Water concerning why it did not include plant capacity charges in the purchase agreement. The utility basically stated three reasons. One is that it believes that this proceeding is essentially a transfer of one customer base to another utility. As such, the customers of the Colony should be viewed the same as other transfers, where payment of service availability charges for service by the new or acquiring utility is not required. Second, the rate base of the Florida Water Burnt Store system is \$5.1 million, and would not be significantly impacted by not obtaining this revenue. And third, Florida Water attempted to make the interconnection portion as reasonable as possible, since the Colony

DOCKET NO. 960907-WS
DATE: July 10, 1997

had no other viable options except to interconnect with Florida Water.

Staff also questioned the potential impact that acquiring this system might have on existing customers of Florida Water. The utility responded that the contract did not include the treatment plant because of the environmental issues and curative costs associated with it. The remaining portions of the system being transferred are being donated to Florida Water. Also, since the Florida Water system has sufficient capacity to add these new customers, the general body of Burnt Store customers are benefited by allowing the new customers to assume a portion of allocated costs which current customers now bear.

Section 367.091(3), Florida Statutes, provides that a utility must implement its lawful rates and charges. Florida Water's service availability tariff requires a \$700 service availability charge. Because of the discrepancy between Florida Water's currently tariffed service availability charges for Burnt Store and the provisions of the agreement, staff considered whether it would be appropriate to require Florida Water to impute the difference between the plant capacity fees it could have collected of \$133,000 and the cost of interconnection which would have been paid from these fees, of about \$15,000. While certainly appropriate under the existing tariff scenario, that action also "penalizes" (the impact to rate base is de minimus) the utility for negotiating a creative solution to a difficult situation, which does not penalize other customers.

Staff believes that these types of situations may continue to be faced by Florida Water, much as they have been faced by other utilities. We believe that both the existing customers of the Colony and some future customers of a system requiring to connect will be benefited by a revised tariff to reflect these conditions. Therefore, the staff recommends that the purchase and sale agreement with respect to the existing 190 connected customers should be approved. We also recommend that the utility be required to file revised service availability tariffs that accommodate these types of special circumstances. These tariffs should be filed within 30 days of the date of the Order.

While the staff recommends the above action for the current customers, the staff believes the Commission should not approve the portion of the contract addressing the 45 unoccupied lots. This part states that at such time as they become occupied, the Colony will pay to Florida Water the meter installation and service initiation charges. However, no plant capacity charges are to be paid at that time.

DOCKET NO. 960907-WS

DATE: July 10, 1997

The staff's concern with this provision is that is inconsistent with prior Commission decisions involving the payment of service availability charges. Pursuant to H. Miller & Sons v. Hawkins, 373 So. 2d 913 (Fla. 1979), the Commission has regularly required that future customers must pay the applicable service availability charges at the time of connection for service. The contract clearly extends the nonpayment of charges from the current customers to future customers as well. Therefore, the staff recommends that the Commission not approve the waiver of plant capacity charges to the remaining 45 unoccupied lots in the Colony. For informational purposes, this would amount to \$31,500 at the present level of charge.

Territory Amendment

As stated earlier, on August 12, 1996, the utility filed an application for amendment of Certificate Nos. 306-W and 255-S to add territory in Charlotte and Lee Counties. The application contains a check in the amount of \$600, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has provided a copy of a warranty deed which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e), (f) and (i), Florida Administrative Code. Descriptions of the water and wastewater territory are appended to this recommendation as Attachments A and B, respectively. Attachment A includes the additional area. Attachment B includes a complete rewrite of the utility's existing territory. The rewrite includes the area granted in Order No. 21632, issued July 31, 1989 in Docket No. 881340-WS and Order No. 24411, issued April 22, 1991 in Docket No. 900969-WS and the new area in this docket. Additional angles and distances were added to this description to make the description clear and concise. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. As stated earlier, an objection to the application was filed by the City of Cape Coral and in Issue 1, staff recommends the Commission approve the stipulation of the parties to resolve their dispute. The local planning agency was provided notice of the application and did not file a protest to the amendment. Staff has contacted the Department of Environmental Protection (DEP) and learned that there are no outstanding notices

DOCKET NO. 960907-WS
DATE: July 10, 1997

of violation regarding this utility.

The reverse osmosis water treatment plant that will serve the Colony and the Marina Hotel is currently permitted at 567,000 gallons per day (gpd). Average daily flows are about 226,000 gpd. Added water flows from the Colony property will be approximately 40,000 gpd, and from the Marina Hotel site will be approximately 35,000 gpd (100 ERC x 350 gpd/ERC = 35,000 gpd). Water lines will be extended to serve these customers. The reverse osmosis water plant may be expanded to 853,000 gpd in 1998, or as the need arises. This expansion would involve the addition of filtering units versus new construction.

The wastewater treatment plant that will serve the Marina Hotel site is currently permitted at 250,000 gallons per day (gpd). Average daily flows are about 120,000 gpd. Added flows from the property will be approximately 27,500 gpd. The utility will extend wastewater lines to serve this customer. The Burnt Store wastewater system uses rapid rate land application via a dual cell percolation and evaporation pond. The utility does not utilize public access level reuse at this time since the current effluent disposal method is adequate. Based on the above information, staff believes that the utility has the capacity and the technical expertise to serve these customers now and in the future.

Based on the above information, staff believes it is in the public interest to grant the application of Florida Water Services Corporation for the transfer of the Burnt Store Colony system and the amendment of Water Certificate No. 306-W, and Wastewater Certificate No. 255-S, to add the additional territory described in Attachment A and the revised descriptions of the utility's existing territory in Attachment B. The utility has returned the certificate for entry of the additional territory and filed revised tariff sheets which reflect the amended territory description. Further, Florida Water should be required to amend its current service availability policy to address the special circumstances of this case and future similar cases, by filing a revised tariff within 30 days of the date of the Order. The waiver of the plant capacity charges for the 45 currently unoccupied lots as specified in the purchase and sale agreement should not be approved.

DOCKET NO. 960907-WS
DATE: July 10, 1997

ISSUE 3: Should the monthly service rates and other charges of Florida Water be applied to the amended territory?

RECOMMENDATION: Yes. Florida Water should charge the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (MESSER, REDEMANN)

STAFF ANALYSIS: The Commission recognized Burnt Store Colony R.O. Association exempt from Commission regulation as a non-profit association Order No. PSC-97-0035-FOF-WS, issued January 7, 1997. The Colony had no installed meters and water service was included as a part of base rent.

If this amendment and transfer is approved, the rates for customers of the Colony and the amended area will be the applicable rates and charges of Florida Water, as approved in Order No. PSC-96-1320-FOF-WS, issued October 30, 1996 in Docket No. 950495-WS. The monthly service rates for water and wastewater are as follows:

Water - Residential and General Service

Base Facility Charge

<u>Meter Size</u>	<u>Charge</u>
5/8" x 3/4"	\$ 13.80
3/4"	20.70
1"	34.50
1 1/2"	69.00
2"	110.40
3"	220.80
4"	345.00
6"	690.00
8"	1,104.00
10"	1,587.00

Gallonage Charge

\$3.82 per 1,000 gallons

DOCKET NO. 960907-WS
DATE: July 10, 1997

Wastewater

Base Facility Charge

<u>Meter Size</u>	<u>Residential Charge</u>	<u>General Service Charge</u>
5/8" x 3/4"	\$ 7.90	\$ 7.90
3/4"	same	11.85
1"	same	19.75
1 1/2"	same	39.50
2"	same	63.20
3"	same	126.40
4"	same	197.50
6"	same	395.00
8"	same	632.00
10"	same	908.50

Gallonage Charge

0 - 6,000	\$ 2.79 per 1,000	
All excess gallons	No Charge	
All gallons		\$ 3.35 per 1,000

Staff believes that the rates and charges of Florida Water's Burnt Store system should apply. Therefore, we recommend that Florida Water should charge the customers in the territory added herein the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.

DOCKET NO. 960907-WS
DATE: July 10, 1997

ISSUE 4: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed if no timely protest is filed to the proposed agency action portion of Issue 2. (JAEGER)

STAFF ANALYSIS: If there is no timely protest filed by a substantially affected person to the proposed agency action portion of Issue 2, no further action will be required and the docket should be closed.

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT A
Page 1 of 3

SOUTHERN STATES UTILITIES, INC

CHARLOTTE AND LEE COUNTIES

THE BURNT STORE UTILITY SYSTEM

CHARLOTTE COUNTY

BURNT STORE - PROPOSED BURNT STORE COLONY WATER ONLY SERVICE TERRITORY:

In a portion of the South half of the Southwest quarter of Section 20 of Township 42 South, Range 23 East in Charlotte County, Florida

Point of Commencement at the Southwest corner of Section 20 of Township 42 South, Range 23 East; thence North 88°02'44" East 9.72 feet East along the South line of the Southwest quarter of Section 20, Township 42 South, Range 23 East in Charlotte County to a point 9.72' East of the Southwest corner of Section 20, the intersection with the Northwest right of way of Burnt Store Road (County Road 765) and the Point of Beginning; thence North 44°34'25" East 1,940.89 feet Northeasterly along the Northwestern right of way line of Burnt Store Road to the intersection with the North line of the South half of the Southwest quarter of Section 20; thence North 88°25'38" East 1,291.47 feet East along the North line of the South half of the Southwest quarter of Section 20 to the East line of the South half of the Southwest quarter of Section 20; thence South 00°45'58" West 1,345.81 feet South along the East line of the South half of the Southwest quarter of Section 20 to the Southeast corner of the South half of the Southwest quarter of Section 20; thence South 88°25'38" West 2,636.15 feet West along the South line of the South half of the Southeast quarter of Section 20 to the point of intersection with the Northeasterly right of way line of Burnt Store Road and the Point of Beginning, this point being 9.72' East of the Southwest corner of Section 20.

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT A
Page 2 of 3

SOUTHERN STATES UTILITIES, INC

CHARLOTTE AND LEE COUNTIES

THE BURNT STORE UTILITY SYSTEM

LEE COUNTY

BURNT STORE - PROPOSED BURNT STORE MARINA HOTEL SITE WATER AND WASTEWATER SERVICE TERRITORY:

In portions of Section 1 of Township 43 South, Range 22 East and Section 6 of Township 43 South, Range 23 East in Lee County, Florida:

Point of Commencement at the Northeast corner of Section 6 of Township 43 South, Range 23 East; thence South 00°40'50" West 3,398.89 feet South along the East line of Section 6, Township 43 South, Range 23 East in Lee County to a point approximately 1,661' North of the South line of Section 6 and the Point of Beginning; thence South 00°41'28" West 482.27 feet South along the East line of Section 6 to a point approximately 1,179' North of the South line of Section 6; thence South 88°22'02" West 4,170.63 feet West along a line approximately 1,179' North of the South line of Section 6 to a point approximately 1,132' East of the West line of Section 6; thence South 00°46'37" West 345.11 feet South along a line approximately 1,132' East of the West line of Section 6 to a point approximately 834' North of the South line of Section 6; thence South 88°22'02" West 1,131.86 feet West along a line approximately 834' North of the South line of Section 6 to a point on the West line of Section 6 approximately 830' North of the Southwest corner of Section 6 and the Southeast corner of Section 1, Township 43 South, Range 22 East; thence South 00°33'37" West 829.96 feet South along the East line of Section 1 to the Southeast corner of Section 1; thence North 89°35'44" West 2,931.20± feet West along the South line of Section 1 to the point of intersection with the Charlotte Harbor shoreline; thence Northerly 1,314± feet Meander Northerly along the shoreline of Charlotte Harbor to a point approximately 1,057' North of the South line of Section 1;

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT A
Page 3 of 3

SOUTHERN STATES UTILITIES, INC

CHARLOTTE AND LEE COUNTIES

THE BURNT STORE UTILITY SYSTEM

LEE COUNTY

thence South 89°35'58" East 2,866.16± feet East along a line approximately 1,057' North of the South line of Section 1 to a point on the East line of Section 1 and the West line of Section 6, Township 43 South, Range 23 East; thence North 00°35'48" East 602.92 feet North along the West line of Section 6 to a point approximately 1,661' North of the South line of Section 6; thence North 88°22'02" East 5,236.85 feet East along a line approximately 1,661' North of the South line of Section 6 to a point approximately 68' West of the East line of Section 6; thence South 89°18'32" East 68.00 feet East along a line approximately 1,660' North of the South line of Section 6 to a point on the East line of Section 6 approximately 1,661' North of the South line of Section 6 and the Point of Beginning.

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT B
Page 1 of 7

Southern States Utilities, Inc.

Charlotte and Lee Counties

The Burnt Store Composite Water Description

In all or portions of Sections 25 and 36 of Township 42 South, Range 22 East, Sections 19, 20, 24, 29, 30, 31, 32 and 33 of Township 42 South, Range 23 East, Section 19 of Township 42 South, Range 24 East in Charlotte County, Florida and in Section 1 of Township 43 South, Range 22 East and Section 6 of Township 43 South, Range 23 East in Lee County, Florida:

Point of Beginning at the Northeast corner of Section 29 of Township 42 South, Range 23 East; Thence 1. South 00°42'42" West 5,529.56 feet South along the East line of Section 29, Township 42 South, Range 23 East in Charlotte County to the Southeast corner of Section 29 and the Northwest corner of Section 33; Thence 2. South 89°24'30" East 2,661.50 feet East along the North line of the Northwest quarter of Section 33 to the Northeast corner of the Northwest quarter of Section 33; Thence 3. South 00°27'17" West 2,686.85 feet South along the East line of the Northwest quarter of Section 33 to the Southeast corner of the Northwest quarter of Section 33; Thence 4. North 89°21'44" West 2,650.75 feet West along the South line of the Northwest quarter of Section 33 to the Southwest corner of the Northwest quarter of Section 33; Thence 5. North 00°13'31" East 1,320.04 feet North along the West line of the Northwest quarter of Section 32 to the Southeast corner of the North half of the Northeast quarter of Section 32; Thence 6. North 89°19'12" West 2,602.81 feet West along the South line of the North half of the Northeast quarter of Section 32, thus excluding the South half of the Northeast quarter of Section 32, to the Southwest corner of the North half of the Northeast quarter of Section 32; Thence 7. North 00°45'26" East 1,360.69 feet North along the West line of the North half of the Northeast quarter of Section 32 to the Northwest corner of the North half of the Northeast quarter of Section 32; Thence 8. North 89°14'30" West 2,654.92 feet West along the North line of Section 32 and the South line of Section 29 to the Southwest corner of Section 29 and the Northeast corner of Section 31; Thence 9. South 00°35'53" West 4,004.33 feet South along the East line of Section 31 and the West line of Section 32, thus excluding the Northwest quarter of Section 32, to the North line of the South half of the Southwest quarter of Section 32; Thence 10. South 89°19'12" East 2,643.79 feet East along the North line of the South

Southern States Utilities, Inc.

Charlotte and Lee Counties

The Burnt Store Composite Water Description

half of the Southwest quarter of Section 32, thus excluding the North half of the Southwest quarter of Section 32, to the Northeast corner of the South half of the Southwest quarter of Section 32; Thence 11. North 00°45'26" East 1,320.00 feet North along the West line of the Northwest quarter of the Southeast quarter of Section 32 to the Northwest corner of the Southeast quarter of Section 32; Thence 12. South 89°19'12" East 2,615.07 feet East along the North line of the Southeast quarter of Section 32 to the Northeast corner of the Southeast quarter of Section 32; Thence 13. South 00°13'31" West 2,684.77 feet South along the East line of the Southeast quarter of Section 32 to the Southeast corner of the Southeast quarter of Section 32; Thence 14. North 89°18'58" West 1,320.00 feet West along the South line of the East half of the Southeast quarter of Section 32 to the Southwest corner of the East half of the Southeast quarter of Section 32; Thence 15. North 00°45'26" East 1,364.60 feet North along the West line of the East half of the Southeast quarter of Section 32 to the Southeast corner of the Northwest quarter of the Southeast quarter of Section 32; Thence 16. North 89°19'12" West 1,320.00 feet West along the South line of the Northwest quarter of the Southeast quarter of Section 32 to the Southwest corner of the Northwest quarter of the Southeast quarter of Section 32 and the Northeast corner of the South half of the Southwest quarter of Section 32; Thence 17. South 00°45'26" West 1,364.50 feet South along the East line of the South half of the Southwest quarter of Section 32 to the Southeast corner of the South half of the Southwest quarter of Section 32; Thence 18. North 89°18'58" West 2,640.00 feet West along the South line of the South half of the Southwest quarter of Section 32 to the Southwest corner of Section 32 and the Northeast corner of Section 6, Township 43 South, Range 23 East in Lee County; Thence 19. South 00°40'50" West 3,398.89 feet South along the East line of Section 6 to a point approximately 1,661' North of the South line of Section 6; Thence 20. South 00°41'28" West 482.27 feet South along the East line of Section 6 to a point approximately 1,179' North of the South line of Section 6; Thence 21. South 88°22'02" West 4,170.63 feet West along a line approximately 1,179' North of the South line of Section 6 to a point approximately 1,132' East of the West line of Section 6; Thence 22. South 00°46'37" West 345.11 feet South along a line approximately 1,132' East of the West line of Section 6 to

Southern States Utilities, Inc.

Charlotte and Lee Counties

The Burnt Store Composite Water Description

a point approximately 833' North of the South line of Section 6; Thence 23. South 88°22'02" West 1,131.86 feet West along a line approximately 833' North of the South line of Section 6 to a point on the West line of Section 6 approximately 830' North of the Southwest corner of Section 6 and the Southeast corner of Section 1, Township 43 South, Range 22 East; Thence 24. South 00°33'37" West 829.96 feet South along the East line of Section 1 to the Southeast corner of Section 1; Thence 25. North 89°35'44" West 2,931.20± feet West along the South line of Section 1 to the point of intersection with the Charlotte Harbor shoreline; Thence 26. Northerly 61,359 ± feet Meander Northerly along the shoreline of Charlotte Harbor approximately 11.6 miles through Section 1 of Township 43 South, Range 22 East in Lee County and Sections 36 and 25 of Township 42 South, Range 22 East and Sections 30 and 19 of Township 42 South, Range 23 East in Charlotte County to a point on the North line of the South half of Section 19, Township 42 South, Range 23 East in Charlotte County approximately 4,771' West of the East line of Section 19; Thence 27. North 89°01'11" East 3,292.16± feet East along the North line of the South half of Section 19 to a point 1,479' West of the East line of Section 19; Thence 28. South 02°58'13" East 645.61 feet South along a line approximately 1,479' West of the East line of Section 19 to a point 2,046' North of the South line of Section 19; Thence 29. South 70°17'08" East 2,593.43 feet Southeasterly along a line through Sections 19 and 20 to a point approximately 1,095' North of the South line of Section 20; Thence 30. South 49°27'23" East 85.16 feet Southeasterly along a line to the intersection with the Northwestern right of way line of Burnt Store Road (County Road 765); Thence 31. North 44°34'25" East 444.09 feet Northeasterly along the Northwestern right of way line of Burnt Store Road to the intersection with the North line of the South half of the Southwest quarter of Section 20; Thence 32. North 88°25'38" East 1,291.47 feet East along the North line of the South half of the Southwest quarter of Section 20 to the East line of the South half of the Southwest quarter of Section 20; Thence 33. South 00°45'58" West 1,345.81 feet South along the East line of the South half of the Southwest quarter of Section 20 to the Southeast corner of the Southwest quarter of Section 20 and the North quarter corner of Section 29; Thence 34. North 88°25'38" East

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT B
Page 4 of 7

Southern States Utilities, Inc.

Charlotte and Lee Counties

The Burnt Store Composite Water Description

2,636.13 feet East along the North line of Section 29 to the Northeast corner of Section 29 and the Point of Beginning.

Also an area to the East of the previously described area but not contiguous, located in Section 24, Township 42 South, Range 23 East and Section 19, Township 42 South, Range 24 East more particularly described as follows:

Section 24, Township 42 South, Range 23 East:

All of that portion of said Section 24 lying Westerly of the Western right of way of US Highway 41, less the North 967 feet of said Section 24.

Section 19, Township 42 South, Range 24 East:

All that portion of said Section 19 lying Westerly of the Westerly right of way of US Highway 41.

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT B
Page 5 of 7

Southern States Utilities, Inc.

Charlotte and Lee Counties

The Burnt Store Composite Wastewater Description

In all or portions of Sections 25 and 36 of Township 42 South, Range 22 East, Sections 29, 30, 31, 32 and 33 of Township 42 South, Range 23 East in Charlotte County, Florida and in Section 1 of Township 43 South, Range 22 East and Section 6 of Township 43 South, Range 23 East in Lee County, Florida:

Point of Beginning at the Northeast corner of Section 29 of Township 42 South, Range 23 East Thence 1. South 00°42'42" West 5,529.56 feet South along the East line of Section 29, Township 42 South, Range 23 East in Charlotte County to the Southeast corner of Section 29 and the Northwest corner of Section 33; Thence 2. South 89°24'30" East 2,661.50 feet East along the North line of the Northwest quarter of Section 33 to the Northeast corner of the Northwest quarter of Section 33; Thence 3. South 00°27'17" West 2,686.85 feet South along the East line of the Northwest quarter of Section 33 to the Southeast corner of the Northwest quarter of Section 33; Thence 4. North 89°21'44" West 2,650.75 feet West along the South line of the Northwest quarter of Section 33 to the Southwest corner of the Northwest quarter of Section 33; Thence 5. North 00°13'31" East 1,320.04 feet North along the West line of the Northwest quarter of Section 33 and the East line of the Northeast quarter of Section 32 to the Southeast corner of the North half of the Northeast quarter of Section 32; Thence 6. North 89°19'12" West 2,602.81 feet West along the South line of the North half of the Northeast quarter of Section 32, thus excluding the South half of the Northeast quarter of Section 32, to the Southwest corner of the North half of the Northeast quarter of Section 32; Thence 7. North 00°45'26" East 1,360.69 feet North along the west line of the North half of the Northeast quarter of Section 32 to the Northwest corner of the North half of the Northeast quarter of Section 32; Thence 8. North 89°14'30" West 2,654.92 feet West along the North line of Section 32 and the South line of Section 29 to the Southwest corner of Section 29 and the Northeast corner of Section 31; Thence 9. South 00°35'53" West 4,004.33 feet South along the East line of Section 31 and the West line of Section 32, thus excluding the Northwest quarter of Section 32, to the North line of the South half of the Southwest quarter of Section 32;

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT B
Page 6 of 7

Southern States Utilities, Inc.

Charlotte and Lee Counties

The Burnt Store Composite Wastewater Description

Thence 10. South 89°19'12" East 2,643.79 feet East along the North line of the South half of the Southwest quarter of Section 32, thus excluding the North half of the Southwest quarter of Section 32, to the Northeast corner of the South half of the Southwest quarter of Section 32; Thence 11. North 00°45'26" East 1,320.00 feet North along the West line of the Northwest quarter of the Southeast quarter of Section 32 to the Northwest corner of the Southeast quarter of Section 32; Thence 12. South 89°19'12" East 2,615.07 feet East along the North line of the Southeast quarter of Section 32 to the Northeast corner of the Southeast quarter of Section 32; Thence 13. South 00°13'31" West 2,684.77 feet South along the East line of the Southeast quarter of Section 32 to the Southeast corner of the Southeast quarter of Section 32; Thence 14. North 89°18'58" West 1,320.00 feet West along the South line of the East half of the Southeast quarter of Section 32 to the Southwest corner of the East half of the Southeast quarter of Section 32; Thence 15. North 00°45'26" East 1,364.60 feet North along the West line of the East half of the Southeast quarter of Section 32 to the Southeast corner of the Northwest quarter of the Southeast quarter of Section 32; Thence 16. North 89°19'12" West 1,320.00 feet West along the South line of the Northwest quarter of the Southeast quarter of Section 32 to the Southwest corner of the Northwest quarter of the Southeast quarter of Section 32 and the Northeast corner of the South half of the Southwest quarter of Section 32; Thence 17. South 00°45'26" West 1,364.50 feet South along the East line of the South half of the Southwest quarter of Section 32 to the Southeast corner of the South half of the Southwest quarter of Section 32; Thence 18. North 89°18'58" West 2,640.00 feet West along the South line of the South half of the Southwest quarter of Section 32 to the Southwest corner of Section 32 and the Northeast corner of Section 6, Township 43 South, Range 23 East in Lee County; Thence 19. South 00°40'50" West 3,398.89 feet South along the East line of Section 6 to a point approximately 1,661' North of the South line of Section 6; Thence 20. South 00°41'28" West 482.27 feet South along the East line of Section 6 to a point approximately 1,179' North of the South line of Section 6; Thence 21. South 88°22'02" West 4,170.63 feet West along a line approximately 1,179' North of the South line of Section 6 to a point 1,132' East of the West line of

DOCKET NO. 960907-WS
DATE: July 10, 1997

ATTACHMENT B
Page 7 of 7

Southern States Utilities, Inc.

Charlotte and Lee Counties

The Burnt Store Composite Wastewater Description

Section 6; Thence 22. South 00°46'37" West 345.11 feet South along a line approximately 1,132' East of the West line of Section 6 to a point approximately 833' North of the South line of Section 6; Thence 23. South 88°22'02" West 1,131.86 feet West along a line approximately 833' North of the South line of Section 6 to a point on the West line of Section 6 approximately 830' North of the Southwest corner of Section 6 and the Southeast corner of Section 1, Township 43 South, Range 22 East; Thence 24. South 00°33'37" West 829.96 feet South along the East line of Section 1 to the Southeast corner of Section 1; Thence 25. North 89°35'44" West 2,931.20± feet West along the South line of Section 1 to the point of intersection with the Charlotte Harbor shoreline; Thence 26. Northerly 54,658 ± feet Meander Northerly along the shoreline of Charlotte Harbor approximately 10.4 miles through Section 1 of Township 43 South, Range 22 East in Lee County and Sections 36 and 25 of Township 42 South, Range 22 East and Section 30 of Township 42 South, Range 23 East in Charlotte County to a point of intersection with the North line of Section 30 approximately 4,312' West of the East line of Section 30; Thence 27. North 88°02'44" East 4,315.59± feet East along the North line of Section 30 to the Northeast corner of Section 30 and the Northwest corner of Section 29; Thence 28. North 88°02'44" East 9.72 feet East along the North line of Section 29, Township 42 South, Range 23 East in Charlotte County to a point 9.72' East of the Northwest corner of Section 29; Thence 29. North 88°25'38" East 5,272.26 feet East along the North line of Section 29 to the Northeast corner of Section 29 and the Point of Beginning.