

State of Florida



Public Service Commission

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RECORDS AND REPORTING

DATE: OCTOBER 7, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF LEGAL SERVICES (CROSSMAN) *RCJ*
DIVISION OF WATER AND WASTEWATER (REHWINKEL, REDEMANN) *RCJ*

RE: DOCKET NO. 981288-WU - APPLICATION FOR CERTIFICATE TO OPERATE A WATER UTILITY IN CHARLOTTE AND LEE COUNTIES, BY TOWN AND COUNTRY UTILITIES COMPANY.

AGENDA: 10/19/99 - REGULAR AGENDA- PROPOSED AGENCY ACTION FOR ISSUES 3, 4 AND 5- INTERESTED PERSONS MAY PARTICIPATE.

CRITICAL DATES: 60 DAY EXTENSION OF 90 DAY STATUTORY DEADLINE EXPIRES NOVEMBER 3, 1999.

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\981288.RCM

CASE BACKGROUND

On November 10, 1998, Town and Country Utilities Company (Town and Country or utility) filed an application for an original certificate to operate a water utility in Charlotte and Lee Counties. Town and Country is a wholly-owned subsidiary of the Babcock Florida Company (Babcock), who currently owns and operates all existing water facilities in the proposed territory.

The existing water facilities provide potable and non-potable water service to a variety of residential, commercial and agricultural customers. The existing potable water service is provided to approximately 71.5 equivalent residential connections (ERCs), of which 22.5 are residential customers and 48.5 are commercial customers. The existing non-potable water service is provided to approximately 216,654 ERCs. Both the potable and non-potable water services are currently being provided at no cost.

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The utility plans to expand its facilities to provide additional potable water service to five proposed residential developments within the proposed service area. These five developments are:

- 1) Babcock Family Community
- 2) SR 31 Ag Facility
- 3) Trout Creek Golf Course and Country Club
- 4) Deep Lake Villas
- 5) The Wilderness at Crescent B Ranch

The communities and developments will be constructed on a phased basis over a period of at least fifteen years. While the application describes the phasing concept, only the first phase cost factors are included for purposes of setting rates in this recommendation. Of the five residential developments listed above, the first two are part of the utility's Phase 1. The other three will be phased in at a later date.

The utility has no plans for expanding the agricultural water service. However, the utility is proposing to provide bulk raw water to neighboring utilities.

Town and Country has entered into an agreement with Babcock to obtain a long-term right to use the necessary properties for the operation of the water utility. In its application, the utility states that prior to its formation, its parent company owned the existing facilities, which will now be utilized by the utility in providing service to new territory. The utility also stated that it will continue to employ operations, maintenance, and technical advisory personnel necessary to ensure continued efficient provision of water service to the various customers of the utility. Additionally, the utility states that the parent company is currently providing service to its own property at no cost, and "has for 50 years owned the property and overseen the water resources within the property which is to be the service territory of Town and Country Utilities Company."

On November 5, 1998, Lee County filed an objection to Town and Country's application on the grounds that the area described in the application was within the existing service area of Lee County Utilities, and that the application was inconsistent with, and violated the provisions of, the Lee County Comprehensive Plan. Specifically, Lee County stated it is "the current potable water supplier for the area commonly known as the 'North Fort Myers' area of unincorporated Lee County, which includes areas of unincorporated Lee County that are identified in the Lee County

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Comprehensive Plan as 'Lee County Future Water Services Areas', and are listed in Town and Country's ... application."

On November 9, 1998, Charlotte County also objected to Town and Country's application on the grounds that it was inconsistent with "certain specific goals, objectives, and policies from the Charlotte County 1988 Comprehensive Plan as amended". Additionally, Charlotte County stated that the utility's application was inconsistent with Chapter 163, Part II, Florida Statutes, and Chapter 187, Florida Statutes, the State Comprehensive Plan, and that "granting of this application would weaken the effectiveness of Charlotte County's planning guidelines for future development and growth consistent with the comprehensive plan adopted by the Board of County Commissioners".

Because timely objections to the utility's application were filed by Charlotte and Lee Counties, the matter was set for hearing by Order No. PSC-99-0084-PCO-WU, issued January 13, 1999, the Order Establishing Procedure.

Under a Memorandum of Understanding (MOU) between the Commission and the Department of Community Affairs (DCA), the Commission provides the DCA with copies of applications for original certificates as well as applications for amendments. The DCA, in turn, provides the Commission with comments as to the need for service in the requested territory and compliance with local comprehensive plans. By letter dated December 4, 1998, the DCA provided comments, also objecting to the proposed certification in support of Charlotte County.

On March 22, 1999, Town and Country filed a Motion for Extension of Time to file all prefiled testimony and exhibits and the prehearing statements of all parties in this docket. In support of its motion, Town and Country stated that it required this additional time so as to allow all parties to this proceeding ample time to determine the nature and extent of the objections by Charlotte and Lee Counties and to attempt to reach settlement agreements. By Order No. PSC-99-0696-PCO-WU, issued April 12, 1999, the utility's request for a thirty-day extension of time for all parties was granted.

On April 19, 1999, the Board of County Commissioners of Charlotte County filed its Withdrawal of Objection, which included a Stipulated Settlement Agreement with Town and Country.

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On June 3, 1999, the Board of County Commissioners of Lee County filed its Withdrawal of Objection, which included a Stipulated Memorandum of Agreement with Town and Country.

On June 9, 1999, staff contacted the Planning Manager in the Bureau of Local Planning at the DCA, who stated that the DCA fully supports the protest withdrawals by both counties.

Pursuant to Section 367.031, Florida Statutes, the Commission is required to grant or deny an application for certificate of authorization within 90 days after the official filing date of the completed application, unless an objection is filed pursuant to Section 120.57, Florida Statutes. Since both objections have now been withdrawn, the Commission would have until September 3, 1999, 90 days from the date of the last protest withdrawal, to grant or deny Town and Country's application for an original water certificate. However, by letter dated July 6, 1999, counsel for the utility, at staff's request, agreed to waive this deadline for an additional 60 days in order to allow staff to thoroughly review all aspects of the utility's application. Thus, the Commission has until November 3, 1999, to grant or deny Town and Country's application for an original water certificate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Withdrawals of Objections by Charlotte and Lee Counties be acknowledged?

RECOMMENDATION: Yes, the Withdrawals of Objections by Charlotte and Lee Counties should be acknowledged. (CROSSMAN, REHWINKEL, REDEMANN)

STAFF ANALYSIS: As discussed in the Case Background, Charlotte and Lee Counties each filed protests with respect to Town and Country's application for a certificate to operate a water utility in Charlotte and Lee Counties. Subsequent to the protests being filed, the parties engaged in settlement negotiations to resolve their respective differences, and have entered into settlement agreements that appear to resolve these differences and obviate the need for an administrative hearing. As a result, the Chairman's Office canceled the administrative hearing scheduled in this docket.

On April 19, 1999, Charlotte County filed a Withdrawal of Objection to Town and Country's application. Charlotte County and the utility entered into a Stipulated Settlement Agreement on April 13, 1999, wherein the Board of County Commissioners agreed to withdraw its objection to the utility's application in return for certain terms and conditions as outlined in the Agreement.

One of the conditions that the utility agreed to was to maintain the integrity of the ecosystem known as the Telegraph Cypress Swamp and to acknowledge that this area was a significant ecological, recreational, and economic resource. In addition, the utility has agreed to "use the permitting programs of the South Florida Water Management District ('SFWMD') to ensure the long term viability and productivity of this resource" and to "operate the water utility approved by the FPSC so that its operations shall not adversely affect the integrity of the ... Telegraph Cypress Swamp".

Further, Town and Country has agreed that any subdivision approval within Charlotte County in the utility's certificated territory, as approved by the Commission, "will require a Rural Communities Comprehensive Plan designation including a Rural Community master development plan for rural and conservation areas outside the Urban Service Area, which designation shall be created by large scale plan amendment consistent with objective 2.7 (Rural

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Community) of the 1997-2010 Future Land Use Element, or other appropriate and acceptable Future Land Use Map designation consistent with the Goals, Objectives, and Policies of the Charlotte County Comprehensive Plan". The stipulated settlement agreement between the utility and Charlotte County appears to alleviate the concerns outlined in the County's objection to the utility's application.

On June 3, 1999, Lee County also withdrew its objection to the utility's application and advised that it had entered into a Stipulated Memorandum of Agreement (MOA), dated May 25, 1999. The MOA would allow the utility to proceed with its application and with the "permitting, testing, and analyses necessary to determine its ability to deliver bulk, raw fresh water to the County of sufficient quantity and quality as may be further determined and agreed upon by the Parties". The MOA also dictates that the intention of the parties is "to evaluate whether Town and Country can make available for a reasonable consideration, sufficient quantities and quality of bulk, raw fresh water from within Lee County to satisfy the County's need for such service, as such needs may arise".

Upon review of the withdrawal of objections by both Counties, and the stipulated agreements entered into between the Counties and the utility, copies of which are attached to this recommendation as Attachment B, it appears that the parties have reached a reasonable compromise among themselves sufficient to resolve their disputes. Staff believes that the agreements are appropriate resolutions to the parties' disputes. Accordingly, staff recommends that the Withdrawals of Objections by Charlotte and Lee Counties be acknowledged.

ISSUE 2: Should Town and Country's application for an original water certificate be granted?

RECOMMENDATION: Yes. If the Commission approves staff's recommendation in Issue 1, Town and Country's application for an original water certificate should be granted.
(REHWINKEL, REDEMANN, CROSSMAN)

STAFF ANALYSIS: As previously stated, on November 10, 1998, in compliance with Sections 367.031 and 367.045, Florida Statutes, Town and Country, a wholly-owned subsidiary of the Babcock Florida Company, filed an application for an original certificate to operate a water facility in Charlotte and Lee Counties. The application is in compliance with other pertinent statutes and administrative rules. Included with the application was a check in the amount of \$3,000, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

In accordance with Rule 25-30.033(1)(j), Florida Administrative Code, the utility submitted a copy of a 99 year lease that provides for continuous use of the land and treatment facilities currently owned by The Babcock Florida Company, the utility's parent company, and from whom the utility will lease those facilities and property.

The application also provided proof of compliance with the noticing requirements set forth in Rule 25-30.030, Florida Administrative Code. As noted in the case background and in Issue 1, two timely objections were received, but were subsequently withdrawn. Accordingly, if the Commission approves staff's recommendation in Issue 1, a hearing is not required.

Pursuant to Rule 25-30.033(1)(b), (c) and (d), the application identified the utility as being a Florida corporation, which has not elected to be an S Corporation under the Internal Revenue Code, Section 1362.

Pursuant to Rule 25-30.033(1)(e) and (s), Florida Administrative Code, the application describes the basis of the utility's financial ability to provide service and the entities upon which the utility will rely on for funding. As stated in the case background, Town and Country is a wholly-owned subsidiary of the Babcock Florida Company, which has for over 50 years owned the property and overseen the water facilities that are to be included in the utility's service territory. The utility is just beginning operation and will not receive any revenues until such time as the

Commission grants an original water certificate and approves the appropriate rates and charges for the utility. Therefore, no detailed financial statements for Town and Country were available to include with the application. However, the utility did include comparative balance sheets for Babcock and its subsidiaries for the years ending December 31, 1996 and 1997 along with an affidavit of Earl Drayton Farr, Jr., Secretary of Babcock Florida Company, attesting that Babcock will fund the capital needs and any operating deficits of the utility as needed. The application also contained information regarding the assets of the utility to be utilized in the provision of service, as well as anticipated operation and maintenance expenses to be incurred in such operation. Those lists of assets and operation and maintenance expenses were prepared in accordance with Rule 25-30.115, Florida Administrative Code. The application also provides that Babcock will provide all necessary funding to the utility "as and when needed to ensure that all needs for capital improvements are met in a timely manner and to ensure the continued provision of safe and efficient potable and non-potable water service in the future within the proposed service territory".

Pursuant to Rule 25-30.033(1)(e), Florida Administrative Code, the application provides information to support the utility's technical ability to provide service. In its application, the utility states that it "can provide such service and expansion of that service as and when needed in the most efficient and effective manner". "All of the water facilities currently owned and operated by a related party will begin being operated by the utility before or immediately upon approval and certification" by the Commission. Babcock "currently operates all existing facilities and has the appropriate certificates and licenses to operate those existing supplied facilities". Town and Country will continue to employ the same personnel as its parent company and will hire additional qualified personnel as needed.

Pursuant to Rule 25-30.033(1)(e), Florida Administrative Code, the utility maintains that there "is currently a need for both potable and non-potable water service within the proposed service territory" as described in the utility's application, which includes "existing residential, commercial and agricultural services". With respect to the availability of alternative sources for service, the application indicates that the utility "has not inquired from other utilities within the service area who might be able to provide service to this territory". The utility reasons that it is presently providing service to the area and, upon Commission approval, Town and Country will immediately take over the provision of service. "[A]ny attempts to obtain service from

any outside source would dramatically increase the cost of providing such service and could quite possibly result in a decrease of the quality of service provided." In its application, the utility further states that it "reviewed local plants and facilities and found no other existing entity in a position to provide such service". Notice of the utility's application was given to all local utilities and governmental entities. As noted in the case background, the objections filed by both Charlotte and Lee counties have been withdrawn and the utility has entered into settlement agreements with the counties, respectively.

Pursuant to Rule 25-30.033(1)(f), Florida Administrative Code, the utility states that the "provision of water service in the proposed service territory, including use of existing and proposed facilities as outlined in this Application, will be consistent with the water sections of the local Comprehensive Plans for both Charlotte and Lee County as approved by the Department of Community Affairs" (DCA). As earlier noted, both Charlotte and Lee Counties filed objections to Town and Country's application as being inconsistent with their comprehensive plans. By letter dated December 4, 1998, the Department of Community Affairs (DCA) provided comments, also objecting to the proposed certification in support of Charlotte County. Subsequently, both objections have been withdrawn and the parties have individually entered into settlement agreements. On June 9, 1999, staff contacted Mr. Bernard Piawah, Planning Manager in the Bureau of Local Planning at the DCA, who stated that the DCA fully supports the withdrawals of both counties.

Pursuant to Rule 25-30.033(1)(l) and (n), Florida Administrative Code, the application contained adequate territory description and maps. A description of the territory is appended to this recommendation as Attachment A. In accordance with Rule 25-30.033(1)(m), Florida Administrative Code, the utility also provided a copy of detailed system maps showing the proposed lines, treatment facilities and the territory to be served.

Based on the foregoing, staff believes Town and Country has demonstrated the need for service to Charlotte and Lee Counties. Therefore, staff recommends that it is in the public interest to grant Town and Country Utilities Company an original water certificate to serve the territory described in Attachment A.

TOWN AND COUNTRY UTILITIES COMPANY

WATER SERVICE AREA

CHARLOTTE AND LEE COUNTIES

All of Sections 1 through 36, Township 41 South, Range 26 East, Charlotte County, Florida. Less road right-of-way for S.R. 31 and C.R. 74.

AND

All of Sections 1 through 36, Township 42 South, Range 26 East, Charlotte County, Florida. Less road right-of-way for S.R. 31.

AND

All of Sections 1 through 19, Township 41 South, Range 27 East, Charlotte County, Florida.

AND

All of Sections 1 through 11, the west 1/2 of Section 12, and all of Sections 13 through 36, Township 42 South, Range 27 East, Charlotte County, Florida.

AND

All of Sections 1 through 7, the west 1/2 of Section 9, and all of Section 12, Township 43 South, Range 26 East, Lee County, Florida. Less the road right-of-way for S.R. 31 and C.R. 78.

AND

All of Sections 4 through 8, Township 43 South, Range 27 East, Lee County, Florida.

AND

Section 9, Township 43 South, Range 27 East, Lee County, Florida. Less the South 1/2 of the Southeast 1/4 of 9-43-27.

AND

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The Northwest 1/4 and the North 1/2 of the Northeast 1/4 of Section 17, Township 43 South, Range 27 East, Lee County, Florida.

AND

The North 1/2 of Section 18, Township 43 South, Range 27 East, Lee County, Florida.

ISSUE 3: What initial potable, non-potable, and bulk water rates and charges and return on equity are appropriate for Town and Country Utilities?

RECOMMENDATION: The rates set forth in the staff analysis are appropriate and the return on equity should be established at 10.11%. The utility should file tariff sheets reflecting the approved rates and charges within 30 days of the effective date of the order. Staff should be given administrative authority to approve the revised tariff sheets, upon verification that the tariffs are consistent with the Commission's decision. The rates should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code. (REHWINKEL, REDEMANN, CROSSMAN)

STAFF ANALYSIS: Town and Country proposes to provide water service in Charlotte and Lee Counties to approximately 138 square miles of service territory. The proposed service territory encompasses nearly 90,000 acres of land which consists primarily of the Babcock Florida Company Crescent B Ranch. The ranch is owned by the Babcock Florida Company and is currently used for farming, cattle, rock mining, and recreation.

As stated in the case background, the existing water facilities provide potable and non-potable water service to a variety of residential, commercial and agricultural customers. The existing potable water service is provided to approximately 24 commercial customers and 1 residential customer. The existing residential customer is the S.R. 31 Farming Residence which is utilized by leasing farmers.

The existing commercial customers are comprised of:

- a) the Telegraph Cypress Field Club, one of the recreational facilities holding events involving sporting clays and firearm training;
- b) the Ranch Headquarters containing the main office for the Crescent B Ranch;
- c) the Babcock Wilderness Adventure Tours, a public facility with a gift shop and cafeteria;
- d) the Earth Source Mine, a rock mine which provides base rock, sand, fill and topsoil;
- e) the Cypress Lodge;
- f) the Crossroads Wilderness Institute, a home for 35 challenged youths with a staff of 25 and open full time;
- g) a fire station;

- h) a Division of Forestry Tower; and
- i) 22 recreational facilities (16 meters) utilized by ranch employees, private citizens and youth groups.

The utility also has numerous non-potable water supply facilities under its control within the proposed service area. The non-potable water service is primarily used for pasture irrigation, farm lease operations and rock processing at the Earth Source Mine. These water facilities include 322 unmetered wells which represent approximately 216,654 ERCs. All existing water services are currently being provided at no cost.

As stated in the case background, the utility plans to expand its facilities to provide additional potable water service to five proposed residential developments within the proposed service area. The communities and developments will be constructed on a phased basis over a period of at least fifteen years. The first phase will involve expansion of the existing water treatment facility at the Ranch Headquarters. According to the application, this expansion was scheduled to begin in late 1998.

The utility has no plans for expanding the agricultural water service. However, the utility is proposing to provide bulk raw water to neighboring utilities. As stated earlier, according to the engineering portion of the application, "the service territory owned by the parent company covers several sustainable water supply resources. These resources can provide enough water for the proposed developments and existing users within the proposed service area in addition to outside needs." The utility is proposing a first phase capacity of 2MGD once an agreement is reached with a bulk customer. The application goes on to state that "as the need for more water is realized, this system will be expanded to supply the necessary quantity." Once the project is completed, the proposed non-potable bulk water facility would serve approximately 28,571 ERCs with capacity of 10MGD.

According to the engineering portion of the application, the date that the potable and non-potable water service will begin being provided with compensation will be the date immediately after final approval by this Commission of the water service rates.

Normally, in original certificate applications, staff determines rates which will allow the utility to earn a fair rate of return on investment when the treatment plant reaches 80% of capacity. The utility development is projected to serve approximately 216,725 ERCs once the first phase is completed. It is anticipated that the system will reach 80% capacity in the year

2008. From the information supplied by the applicant, staff was able to calculate proforma schedules of rate base, operating income and capital structure to be used in determining initial rates.

RATE BASE

The engineering firm provided projected plant costs in the amount of \$180,523 for the potable water system and \$525,401 for the non-potable/agricultural system. The projected plant costs for the bulk raw water system through Phase 1 are \$879,334.

Staff is increasing the plant costs for the potable water system by \$4,000. The adjustment will reflect the appropriate amount of organizational costs. The organizational costs account balance includes costs associated with accounting, legal and engineering services along with filing fees. The total amount for these services is \$103,000. The utility allocated the total equally between the three types of water service. The allocation should be \$34,333 for each system. However, for the potable water system only, these costs were recorded in the amount of \$30,333. Staff's only adjustment is to correct this error.

The potable water system utilizes chlorination for treatment of its water. The other two systems do not treat the water. Staff's Schedule of Rate Base appears on Schedule No. 1 with staff's adjustment appearing on Schedule No. 1-A.

OPERATION AND MAINTENANCE EXPENSE

The projected operation and maintenance expenses associated with each of the systems are \$74,237 for the potable water system and \$392,000 for the non-potable system. The projected expenses for the bulk system are in the amount of \$291,800.

When the application was first filed, staff had concerns regarding the rates. Staff believed that the bulk water rate appeared to be quite low and the potable water rates appeared to be somewhat high in comparison to other similarly situated utilities. Upon review of the utility's proposed expenses, staff believed that the flat lease payment was the primary reason for the inequity. The utility was recording a rent expense of \$1,000 per well which reflected the charge as stated in a lease agreement between the utility and the related party landowner. For the potable system, the utility would lease approximately 30 wells, resulting in an expense of \$30,000. For the bulk system, the utility would lease approximately nine wells, resulting in an expense of \$9,000.

After several discussions with the utility's representatives, the utility agreed to revise the filing to reflect a royalty arrangement between the utility and the related party landowner. A similar arrangement was approved by the Commission in Order No. PSC-96-0859-FOF-WU, issued July 2, 1996, in Docket No. 951029-WU. The royalty arrangement in that order included a very complicated series of events and comparisons which do not exist in this case. However, staff believes the methodology approved in that order is also appropriate for the present docket. For both cases, the methodology used to determine the appropriate royalty charge considers the value of the land which would be leased for utility purposes, and divides that amount by the total water capacity of the well sites.

The revised agreement submitted by Town and Country reflected a \$.20 per thousand-gallon royalty rate (or purchased water expense) for the potable water system. With the revised agreement, the expense decreased to \$7,037 based on \$.20/1000 x 96,400 gpd. This arrangement resulted in a decrease to the potable water system's rent expense in the amount of \$22,963. The resulting effect on rates simply lowered the charge for potable water.

While the effect on the bulk water system's rate is the reverse, staff believes the resulting rate, even though it has been increased, is a more comparable bulk rate. Also, staff believes that the revised lease arrangement will more appropriately compensate the landowner based on the intensity of use of the properties and the effects of those uses on properties outside the area actually utilized in providing the bulk service.

With the revised schedules submitted by the utility on May 17, 1999, staff has no adjustments to the operations and maintenance expenses. Staff's Schedule of Operations appears on Schedule No. 3.

CAPITAL STRUCTURE

A proforma capital structure consisting of 40% equity and 60% debt is recommended. Staff calculated the return on common equity to be 10.11% using the current Commission approved leverage formula, authorized by Order No. PSC-99-1224-PAA-WS, issued June 21, 1999, in Docket No. 990006-WS. The capital structure appears on Schedule No. 2.

The above schedules are being presented only as a tool to aid the Commission in establishing initial rates and are not intended to establish rate base. This is consistent with Commission

practice in processing original certificate applications. However, we do recommend that the Commission establish a return on equity of 10.11% to be used in future proceedings involving such things as calculation of AFUDC and interim rates.

RATES AND CHARGES

Staff's recommended rates, which are calculated using the base facility charge rate structure and based on a revenue requirement of \$97,276, for the potable system and \$450,434 for the non-potable system, are shown below. The revenue requirement for the proposed bulk raw water system is in the amount of \$364,170.

NON-POTABLE AGRICULTURAL SERVICE

<u>FLAT MONTHLY RATE</u> <u>WELL SIZE:</u>	<u>PROPOSED</u> <u>MONTHLY</u> <u>RATE</u>	<u>STAFF</u> <u>RECOMMENDED</u> <u>RATE</u>
1"	\$ 5.20	\$ 5.14
2"	16.64	16.48
3"	33.28	32.96
4"	52.00	51.50
5"	87.36	86.52
6"	104.00	103.00
7"	145.60	144.20
8"	166.40	164.80
9"	216.32	214.24
10"	239.20	236.90
12"	447.20	442.90

The agricultural water facilities consist of 322 unmetered wells of various sizes, which are spread throughout the Crescent B Ranch. Users supply their own pumps and other equipment needed to extract and distribute raw water for various agricultural purposes. As a result, flat monthly rates are proposed based on the size of the well used. Staff made no adjustments to the utility's proposed rates. Therefore, staff's recommended rates, set forth below, are the same as the utility's proposed rates.

POTABLE WATER SERVICE

Residential, Commercial and General Service

<u>METER SIZE:</u>	<u>Utility's Proposed and Staff Recommended</u> <u>Rates</u>
5/8 x 3/4"	\$ 7.98
1"	19.95
1 1/2"	39.90
2"	63.84
3"	127.68
4"	199.50
6"	399.00
8"	638.40

Gallonage Charge
per 1,000 gallons \$ 2.57

As discussed earlier, the original base facility charge proposed by the utility considered a lease payment expense. When this expense was reduced, the resulting rates were reduced also. Staff agrees with the utility's revised rates.

BULK RAW WATER SERVICE

Proposed Bulk Raw Water Rate
Per 1,000 gallons \$ 0.50

The applicant filed a sample tariff as part of its application for certificate. However, since staff is recommending rates which are different from those proposed by the utility, the utility should be required to file tariff sheets reflecting the approved rates and charges. Staff recommends that the utility be required to file these tariff sheets within thirty days of the effective date of the order. Staff should be given administrative authority to approve the revised tariff sheets, upon verification that the tariffs are consistent with the Commission's decision. The rates should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code.

ISSUE 4: Should the utility's proposed miscellaneous service charges be approved?

RECOMMENDATION: Yes. The utility's proposed miscellaneous service charges should be approved. The utility should file tariff sheets reflecting the approved rates and charges within 30 days of the effective date of the order. Staff should be given administrative authority to approve the revised tariff sheets, upon verification that the tariffs are consistent with the Commission's decision. The rates should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code. (REHWINKEL, CROSSMAN, REDEMANN)

STAFF ANALYSIS: Section 367.081, Florida Statutes, provides authority for the Commission to approve the fixing and the changing of rates and charges charged by utility companies under its jurisdiction. More specific to this docket, Rule 25-30.345, Florida Administrative Code, addresses service charges for utilities. Pursuant to this rule, a utility may charge a reasonable fee to defray the cost of installing and removing facilities and materials. In addition, the utility may have other customer service charges in accordance with its approved tariff.

Rule 25-30.460, Florida Administrative Code, defines in detail four categories of miscellaneous service charges. Consistent with Commission practice, when both water and wastewater services are provided, a single charge is appropriate unless circumstances beyond the control of the utility require multiple actions. In accordance with Rule 25-30.460(2), Florida Administrative Code, a tariff provision for the recovery of overtime costs when the customer requests that the service be performed after normal working hours can be approved if the additional costs are documented in the supporting cost justification.

In keeping with the four broad categories of miscellaneous service charges as set forth in Rule 25-30.460, Florida Administrative Code, and as set forth in the utility's tariff, the utility is proposing charges as shown below.

<u>Type of Service</u>	<u>Utility's Proposed</u>
Initial Connection	\$15.00
Normal Reconnection	\$15.00
Violation Reconnection	\$15.00
Premises Visit (in lieu of disconnect)	\$10.00

Staff is recommending that the utility's proposed miscellaneous service charges should be approved. Also, if the utility files revised tariff sheets within 30 days of the issuance date of the order that are consistent with the Commission's vote, staff should be given administrative authority to approve the revised tariff sheets upon staff's verification that the tariffs are consistent with the Commission's decision. If the revised tariff sheets are filed and approved, the revised miscellaneous service charges should be implemented on or after the stamped approval date of the tariff sheets pursuant to Rule 25-30.475(2), Florida Administrative Code.

ISSUE 5: What are the appropriate service availability charges for Town and Country Utilities?

RECOMMENDATION: The service availability charges set forth within the staff analysis are appropriate. The utility should file tariff sheets reflecting the approved rates and charges within 30 days of the effective date of the order. Staff should be given administrative authority to approve the revised tariff sheets, upon verification that the tariffs are consistent with the Commission's decision. The rates should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code. (REHWINKEL, REDEMANN, CROSSMAN)

STAFF ANALYSIS: In its application, the utility requested approval of the following service availability charges:

PLANT CAPACITY CHARGE:

Plant capacity charge per ERC (350 gpd)	\$ 115.00
Charge per gallon of capacity	\$.033

Rule 25-30.580(1)(a), Florida Administrative Code, states that the maximum amount of contributions-in-aid-of-construction (CIAC), net of amortization, should not exceed 75% of the total original cost, net of accumulated depreciation, of the utility's facilities and plant when the facilities and plant are at their designed capacity. Rule 25-30.580(1)(b), Florida Administrative Code, states that the maximum amount of CIAC should not be less than the water transmission and distribution and wastewater collection systems.

Based on the utility's application and the calculations within the application, staff believes that the proposed charges allow the utility to remain within the standards prescribed by the above-referenced rule. Therefore, staff recommends that the utility should file tariff sheets reflecting the approved rates and charges within 30 days of the effective date of the order. Staff should be given administrative authority to approve the revised tariff sheets, upon verification that the tariffs are consistent with the Commission's decision. The rates should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code.

DOCKET NO. 981288-WU
DATE: OCTOBER 7, 1999

ISSUE 6: Should this docket be closed?

RECOMMENDATION: Yes, upon expiration of the protest period, and if no timely protests to the proposed agency action issues are filed, this docket should be closed upon the issuance of a Consummating Order. (CROSSMAN)

STAFF ANALYSIS: Upon expiration of the protest period, and if no timely protests to the proposed agency action issues are filed, no further action will be required, and this docket should be closed upon the issuance of a Consummating Order.

TOWN AND COUNTRY UTILITIES COMPANY
 SCHEDULE OF POTABLE WATER RATE BASE

SCHEDULE NO. 1
 DOCKET NO. 981288-WU

	BALANCE PER FILING	STAFF ADJ. TO FILING	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$ 1,585,258	\$ 4,000 A	\$ 1,589,258
LAND/NON-DEPRECIABLE ASSETS	0	0	0
ACCUMULATED DEPRECIATION	(458,713)	(100) B	(458,813)
CIAC	(743,600)	0	(743,600)
AMORTIZATION OF CIAC	47,168	0	47,168
WORKING CAPITAL ALLOWANCE	<u>80,500</u>	<u>14,255 C</u>	<u>94,755</u>
POTABLE WATER RATE BASE	\$ 510,613	\$ 18,155	\$ 528,768

TOWN AND COUNTRY UTILITIES COMPANY
ADJUSTMENTS TO RATE BASE

SCHEDULE NO. 1A
DOCKET NO. 981288-WU

A. <u>UTILITY PLANT IN SERVICE</u>	<u>WATER</u>
1. To reflect appropriate organizational costs	\$ 4,000
B. <u>ACCUMULATED DEPRECIATION</u>	
1. To reflect accumulated depreciation	\$ (100)

TOWN AND COUNTRY UTILITIES COMPANY
SCHEDULE OF CAPITAL STRUCTURE

SCHEDULE NO. 2
DOCKET NO. 981288-WU

	<u>PER UTILITY FILING</u>	<u>STAFF ADJUST. TO UTILITY FILING</u>	<u>ADJUSTED BALANCE PER STAFF</u>	<u>PRO RATA ADJUST. PER STAFF</u>	<u>RECONCILIATION TO RATE BASE</u>	<u>PERCENT OF TOTAL</u>	<u>COST</u>	<u>WEIGHTED COST</u>
COMMON EQUITY	\$ 187,561	\$ 0	\$ 187,561	\$ 23,946	211,507	40.00%	10.11%	4.04%
LONG-TERM DEBT	281,342	0	281,342	35,919	317,261	60.00%	10.00%	6.00%
LONG-TERM DEBT	0	0	0	0	0	0.00%	10.00%	0.00%
PREFERRED EQUITY	0	0	0	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	0	0	0	0	0	0.00%	0.00%	0.00%
OTHER	0	0	0	0	0	0.00%	0.00%	0.00%
TOTAL	<u>\$ 468,903</u>	<u>\$ 0</u>	<u>468,903</u>	<u>\$ 59,865</u>	<u>528,768</u>	100.00%		10.04%

<u>RANGE OF REASONABLENESS</u>	<u>LOW</u>	<u>HIGH</u>
RETURN ON EQUITY	9.11%	11.11%
OVERALL RATE OF RETURN	9.65%	10.44%

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TOWN AND COUNTRY UTILITIES COMPANY
 SCHEDULE OF WATER OPERATING INCOME

SCHEDULE NO. 3
 DOCKET NO. 981288-WU

	<u>PER UTILITY FILING</u>	<u>COMM. ADJ. TO UTILITY</u>	<u>COMM. ADJUSTED TEST YEAR</u>	<u>ADJUST. FOR INCREASE</u>	<u>TOTAL PER COMM.</u>
OPERATING REVENUES	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>911,880</u>	\$ <u>911,880</u>
OPERATING EXPENSES:					
OPERATION AND MAINTENANCE	\$ 758,037	\$ 0	\$ 758,037	\$ 0	758,037
DEPRECIATION (NET)	50,526	0	50,526	0	50,526
AMORTIZATION (CIAC)	(25,810)	0	(25,810)	0	(25,810)
TAXES OTHER THAN INCOME	22,530	0	22,530	41,035	63,565
INCOME TAXES	<u>12,474</u>	<u>0</u>	<u>12,474</u>	<u>0</u>	<u>12,474</u>
TOTAL OPERATING EXPENSES	\$ <u>817,757</u>	\$ <u>0</u>	\$ <u>817,757</u>	\$ <u>41,035</u>	\$ <u>858,792</u>
OPERATING INCOME/(LOSS)	\$ <u>(817,757)</u>		\$ <u>(817,757)</u>		\$ <u>53,088</u>
WASTEWATER RATE BASE			\$ <u>528,768</u>		\$ <u>528,768</u>
RATE OF RETURN			<u>-154.65%</u>		<u>10.04%</u>

RECEIVED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

APR 20 1999

Florida Public Service Commission
Division of Water and Wastewater

In re: APPLICATION OF TOWN & COUNTRY
UTILITY COMPANY FOR AN ORIGINAL
WATER CERTIFICATE

Docket No. 981288-WU

WITHDRAWAL OF OBJECTION OF THE BOARD OF COUNTY
COMMISSIONERS OF CHARLOTTE COUNTY, FLORIDA, TO THE
APPLICATION OF TOWN & COUNTRY UTILITY COMPANY FOR
AN ORIGINAL WATER CERTIFICATE AND REQUEST FOR
FORMAL HEARING.

The BOARD OF COUNTY COMMISSIONERS OF CHARLOTTE COUNTY,
FLORIDA, (hereinafter referred to as the "Board"), hereby files this Withdrawal of
Objection to the Application of Town & Country Utility Company (hereinafter referred to as
"Applicant"), for an Original Water Certificate, and states that:

1. This Withdrawal of Objection relates to the Application of Town & Country
Utility Company for an Original Water Certificate filed October 8, 1998 (hereinafter referred
to as the "Application"), and the Board's Objection to the Application filed November 6,
1998 (hereinafter referred to as the "Objection").


2. The Board is the governing body of Charlotte County, Florida, a county
affected by the Application.

3. On April 13, 1999, the Board and the Applicant entered into a Stipulated
Settlement Agreement wherein the Board agreed to withdraw its Objection to the
Application in the above-referenced Docket, in return for certain terms and conditions

contained in the Agreement, which is attached hereto as Exhibit "A" and incorporated herein by reference.

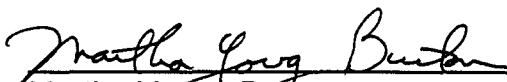
4. Wherefore, the Board hereby officially withdraws its Objection.

Respectfully submitted,


Martha Young Burton
Assistant County Attorney
Fla. Bar #398179
Attorney for Charlotte County, Florida
Charlotte County Attorney's Office
18500 Murdock Circle
Port Charlotte, FL 33948-1094
(941) 743-1330

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by U.S. Mail to Blanca S. Bayo, F. Marshall Deterding, Esq., Roseanne Gervasi, Esq., Earl Drayton Farr, Esq., Michael P. Haymans, Esq., David Owens, Esq., and Bernard Piawah, Planner IV, Division of Community Planning, this 16th day of April, 1999.


Martha Young Burton

SERVICE LIST

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Fla. Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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Farr, Farr, Emerich, Sifrit,
Hackett & Carr, P.A.
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Michael P. Haymans, Esq.
Farr, Farr, Emerich, Sifrit,
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David Owens, Esq.
Assistant County Attorney
Lee County
P. O. Box 398
Ft. Myers, FL 33902-0398

Bernard Piawah, Planner IV
Division of Community Planning
Florida Department of Community Affairs
2555 Shumard Oak Blvd.
Tallahassee, FL 32399-2100

**STATE OF FLORIDA
BEFORE THE PUBLIC SERVICE COMMISSION**

In re: APPLICATION OF TOWN & COUNTRY
UTILITIES COMPANY TO OPERATE A WATER
UTILITY IN CHARLOTTE AND LEE COUNTIES,
FLORIDA

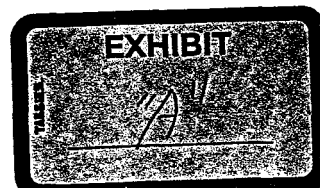
Docket No. 981288-WU

**STIPULATED SETTLEMENT AGREEMENT BETWEEN
CHARLOTTE COUNTY AND TOWN AND COUNTRY
UTILITIES COMPANY**

Charlotte County, a political subdivision of the State of Florida ("Charlotte"), Town & Country Utilities Company, a Florida corporation ("Utilities"), and Babcock Florida Company, a Florida corporation ("Babcock") hereby enter into this Stipulated Settlement Agreement in which Charlotte agrees to and does hereby withdraw its Request for Formal Hearing and its Objection to the Florida Public Service Commission (FPSC) Application for an Original Certificate in Charlotte and Lee Counties, Florida, in Docket No. 981288-WU and shall not otherwise object to or oppose the said certification on the following facts, terms and conditions:

1. On or about October 8, 1998, Utilities filed its Notice and Application for an Original Water Certificate in Charlotte and Lee Counties, Florida, with the FPSC.
2. Babcock owns the property that is proposed for Utilities' water certification, which includes the property known as Telegraph Cypress Swamp.
3. On or about November 6, 1998, Charlotte filed an Objection of the Board of County Commissioners of Charlotte County, Florida, to the Application of Town & Country Utilities Company for an Original Water Certificate and Request for Formal Hearing.

1



4. On March 2, 1999, the Board of County Commissioners of Charlotte County, by motion and vote, agreed to withdraw its objection to Utilities' Application for Original Water Certificate in said Docket No. 981288-WU before the FPSC upon Utilities and Babcock agreeing to maintain the integrity of the eco-system known as Telegraph Cypress Swamp.

5. Babcock currently measures rainfall and the water elevation of the pool on the upstream (north) side of Big Island Dike at the westerly water control structure for Telegraph Cypress Swamp. Rainfall is measured with a FIT model RG2000-C tipping bucket gauge, and pool levels are continuously recorded with a stage recorder metritape connected to a CR-10 data logger. Utilities and Babcock shall continue to fund and accomplish the monitoring of rainfall and the monitoring of the Telegraph Cypress Swamp pool elevation.

6. Measurement of rainfall and related Telegraph Cypress Swamp pool elevations at the Big Island structure will allow a comparison of related hydrological values to insure protection of the integrity of the Telegraph Cypress Swamp. A copy of rainfall and pool water elevation graphs from 1997-1998 are attached hereto and made a part hereof, and rainfall and pool water elevation graphs will be submitted to Charlotte on an annual basis.

7. Babcock, Utilities, and Charlotte acknowledge and agree that the Telegraph Cypress Swamp eco-system is a significant ecological, recreational, and economic resource, and further agree to use the permitting programs of the South Florida Water Management District ("SFWMD") to help ensure the long term viability and productivity of this resource. Utilities hereby agrees that it shall operate the water utility approved by the FPSC so that its operations shall not adversely affect the integrity of the eco-system known as Telegraph Cypress Swamp.

8. Telegraph Cypress Swamp, Babcock's property, and Utilities' proposed certification area are all within the SFWMD and the Telegraph Cypress Water Management District. Babcock, Utilities, and Utilities' proposed water certification area are subject to rules and regulations concerning the consumptive use of water, which rules and regulations contemplate the effect upon natural systems, including Telegraph Cypress Swamp, of such water use.

9. Babcock and Utilities acknowledge that this Agreement does not waive Charlotte's right to participate in the SFWMD permit process, up to and including possible challenge of any permit issued by SFWMD for consumptive use of water in association with Utilities' operations if Charlotte's Board of County Commissioners believes that such permit fails to adequately address or protect the Telegraph Cypress Swamp eco-system.

10. Babcock and Utilities acknowledge and agree that the mere availability of water and a FPSC-certificated utility will not necessarily provide justification for development approval in eastern Charlotte.

11. The Southwest Florida Regional Planning Council has determined that Utilities' Application for Original Water Certificate in Charlotte and Lee Counties is regionally significant and consistent with adopted goals, objectives and policies of the Strategic Regional Policy Plan.

12. Babcock and Utilities agree that any subdivision approval in Charlotte within Utilities' certificated area as approved by the FPSC will require a Rural Communities Comprehensive Plan designation including a Rural Community master development plan for rural and conservation areas located outside the Urban Service Area, which designation shall be created by large scale plan amendment consistent with objective 2.7 (Rural Community) of the 1997-2010 Future Land Use

Element, or other appropriate and acceptable Future Land Use Map designation consistent with the Goals, Objectives, and Policies of the Charlotte County Comprehensive Plan.

13. This Agreement shall be binding upon the parties and their representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 13th day of April, 1999.

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

By Mac V. Horton
Mac V. Horton, Chairman

ATTEST:
Barbara T. Scott, Clerk of
Circuit Court and Ex-officio
Clerk to the Board of County
Commissioners

By Agnes Roubik
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Renee Francis Lee
Renee Francis Lee, County Attorney
NB

ATTEST:

By Earl Drayton Ferr, Jr.
Earl Drayton Ferr, Jr., Secretary

BABCOCK FLORIDA COMPANY

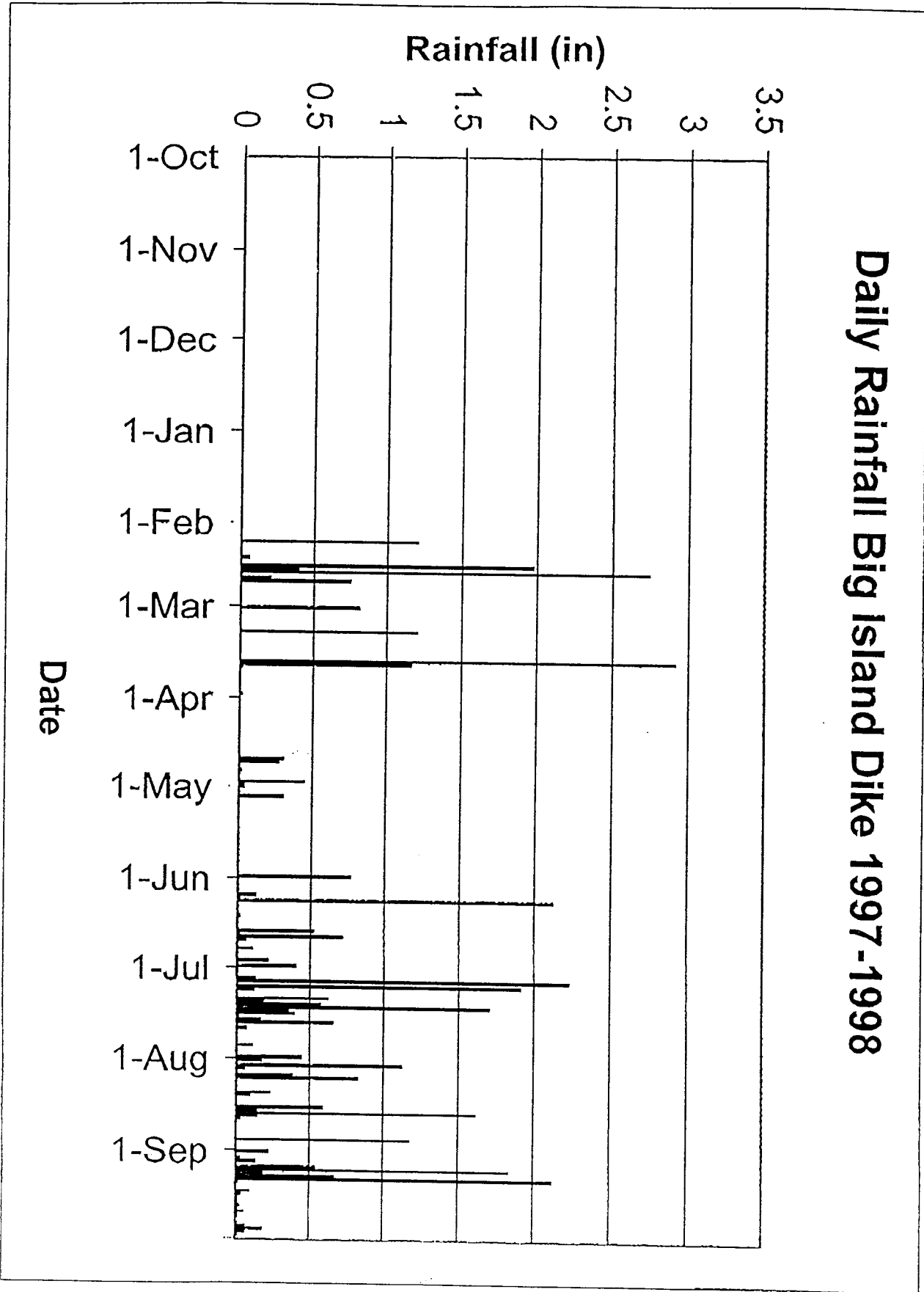
By: Richard S. Cuda
Richard S. Cuda, President

ATTEST:

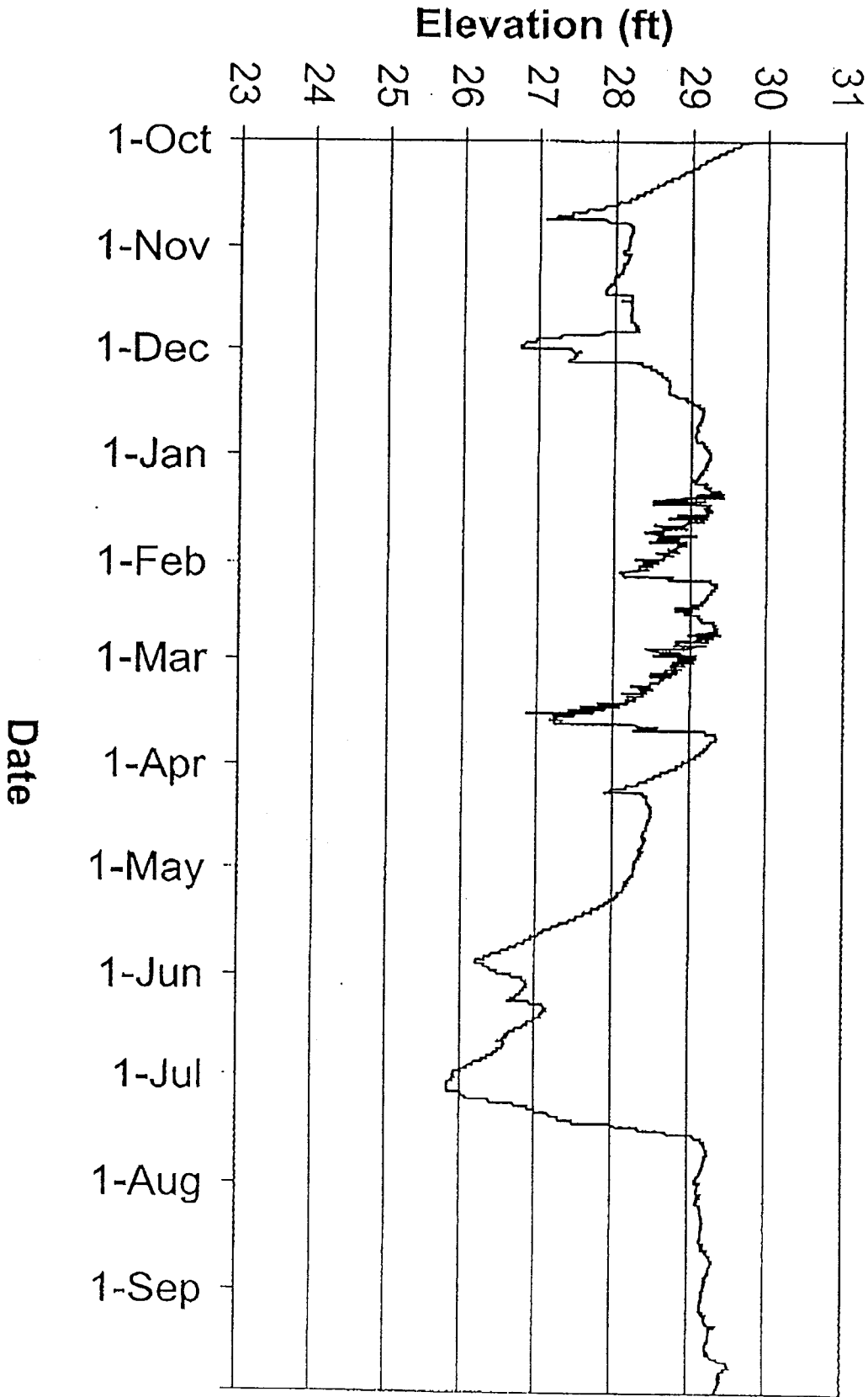
By: Richard S. Cuda
Secretary

TOWN & COUNTRY UTILITIES COMPANY

By: Richard S. Cuda
Richard S. Cuda, President



Big Island Water Surface Elevation



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Town and Country)	
Utilities Company to operate a water)	
utility in Charlotte and Lee Counties,)	DOCKET NO. 981288-WU
Florida)	
_____)	

WITHDRAWAL OF OBJECTION

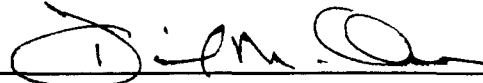
The Board of County Commissioners of Lee County, Florida (the "Board"), hereby files this Withdrawal of Objection to the Application of Town and Country Utilities Company ("Applicant") for an original water certificate, and in support hereof states as follows:

1. This Withdrawal of Objection relates to the Application of Town and Country Utilities Company for an original water certificate filed October 8, 1998 (the "Application") and the Board's Objection to that Application filed on November 4, 1998 (the "Objection").
2. The Board is the governing body in and for Lee County, Florida, a political subdivision of the State, and a County affected by the Application.
3. On May 25, 1999, the Board and the Applicant entered into a Stipulated Memorandum of Agreement ("M.O.A.") wherein the Board agreed in settlement with the Applicant, to withdraw its Objection to the Application in the above-referenced docket in return for certain terms and conditions as contained within the M.O.A., a certified copy of which is attached hereto as **Exhibit "A"** and incorporated herein.

DOCUMENT NUMBER-DATE
~~06858 JUN-3 1999~~
 FPSC-RECORDS/REPORTING

WHEREFORE, in consideration of the above, the Board hereby officially withdraws its Objection to the Application of Town and Country Utilities Company.

Respectfully submitted this 2nd day of JUNE, 1999, by:



David M. Owen
Assistant County Attorney
Florida Bar No. 380547
2115 Second Street, 6th Floor
Post Office Box 398
Fort Myers, Florida 33902-0398
(941) 335-2236

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing has been furnished by facsimile and regular U.S. Mail to the following on this 2nd day of JUNE, 1999.

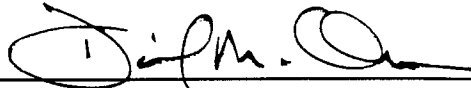
F. Marshall Deterding, Esq.
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Rosanne Gervasi, Esq.
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Florida Public Service Commission
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James F. Garner, Esq.
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Harrison & Jensen
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Tallahassee, Florida 32399-0873

Blanca S. Bayó, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

A handwritten signature in black ink, appearing to read "D. M. Owen", written over a horizontal line.

David M. Owen
Assistant County Attorney
Florida Bar No. 380547
2115 Second Street, 6th Floor
Post Office Box 398
Fort Myers, Florida 33902-0398

MEMORANDUM OF AGREEMENT

COME NOW, on this 25th day of May, 1999, Town and Country Utilities Company (hereinafter "Town and Country" or "Utility"), a Florida corporation, and Lee County, Florida (hereinafter the "County"), a political subdivision of the State of Florida, collectively the "Parties", and enter into this Memorandum of Agreement, and in support thereof state as follows:

WHEREAS, Town and Country has filed an Application with the Florida Public Service Commission (hereinafter the "Commission") for a certificate to operate a water utility in Lee and Charlotte Counties, Florida; and,

WHEREAS, the County has filed a timely objection with the Commission to the proposed certification of the Utility lying within Lee County; and,

WHEREAS, the Parties now wish to enter into an Agreement which will allow Town and Country to move forward with its proposed certification of a water utility in Lee County, to include development by the Utility of water resources which may enable it to provide bulk, raw fresh water service to the County, while at the same time insuring that the County will be provided the opportunity to provide potable water services in the County's portion of the proposed service territory of Town and Country as those needs arise therein.

NOW THEREFORE, in consideration of the mutual Agreements and undertakings outlined herein, the Parties agree as follows:

1. The County will withdraw its Objection to Certification of Town and Country as a water utility by the Florida Public Service Commission within fourteen (14) business days from execution of this Agreement by both Parties.

2. Town and Country will proceed with the permitting, testing and analyses

necessary to determine its ability to deliver bulk, raw fresh water to the County of sufficient quantity and quality as may be further determined and agreed upon by the Parties. It is the intention of the Parties to evaluate whether Town and Country can make available for a reasonable consideration, sufficient quantities and quality of bulk, raw fresh water from within Lee County to satisfy the County's need for such service, as such needs may arise. To enable the County to receive such services, and at the County's sole election, the Parties may undertake negotiations for a formal Agreement for the provision of such services upon notice from the utility of its completion of the preliminary testing and analyses which will analyze and determine such availability to the County.

3. The County and the Utility agree that as the need for central potable water service arises within the certificated service territory of the Utility, the Parties will investigate cooperatively to determine whether the Utility or the County is in the best position to provide such service in the public's interest. To the extent that it is determined that the County is in a better position to provide such potable water services to County customers within the proposed Town and Country service area, Town and Country agrees to file an Application with the Commission to amend its certificated service area to remove those areas where the County is in a better position to provide such services.

WHEREFORE, Town and Country Utilities Company and Lee County enter into this Agreement in order to memorialize the Parties' responsibilities, obligations and intentions with regard to one another and for the provision of potable and non-potable water service(s) in and around the proposed water service territory of Town and Country Utilities Company.

TOWN AND COUNTRY UTILITIES COMPANY

(Corporate Seal)

By: Richard S. Cuda
Richard S. Cuda, President

STATE OF ~~FLORIDA~~ xxx) (Connecticut)
COUNTY OF LEE) (Hartford)

The foregoing instrument was acknowledged before me this 26th day of May, 1999, by Richard S. Cuda, President of Town and Country Utilities Company, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced himself as identification.

Joyce L'Esperance
Print Name Joyce L'Esperance
Notary Public
State of ~~Florida~~ at Large (Connecticut)
My Commission Expires

JOYCE L'ESPERANCE
NOTARY PUBLIC
MY COMMISSION EXPIRES DEC. 31, 2003

ATTEST: CHARLIE GREEN
CLERK OF COURTS

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

By: Ruth Inguine
Deputy Clerk

By: Ray Judal
Chairman

State of Florida
County of Lee

APPROVED AS TO FORM:

I Charlie Green, Clerk of the Circuit Court for Lee County, Florida, do hereby certify this document to be a true and correct copy of the original document filed in the Minutes Department.

By: [Signature]
Office of the County Attorney

Given under my hand and official seal at Fort Myers, Florida, this 2nd day of June, A.D. 1999

CHARLIE GREEN, CLERK
By: Ruth Inguine
Deputy Clerk

TOWN COU

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