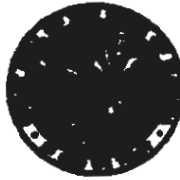


State of Florida

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

Public Service Commission

April 18, 1996

Ms. Janis Koch, President
United Homeowners Association
806 50th Avenue West
Bradenton, Florida 34207

RE: Docket No. ~~951255-WS~~, Resolution of the Board of County Commissioners of Manatee County declaring Manatee County subject to the provisions of Chapter 367, Florida Statutes

Dear Ms. Koch:

As you are aware, on October 10, 1995, the Manatee County Board of County Commissioners adopted Resolution No. R-95-109, declaring the water and wastewater utilities in Manatee County subject to the provisions of Chapter 367, Florida Statutes. The effect of the resolution was to invoke the Florida Public Service Commission's jurisdiction over all investor-owned water and wastewater systems in Manatee County as of October 10, 1995.

Pursuant to Section 367.031, Florida Statutes, all utilities must obtain either a certificate of authorization under Section 367.171(2), Florida Statutes, or an exemption from Commission regulation under Section 367.022, Florida Statutes. It is my understanding that the United Homeowners Association is actively pursuing the purchase of Fair Lane Utilities Inc. from Mr. Robert Barris and you anticipate closing on the sale no later than April 30, 1996. Also, it has come to our attention that every customer of the utility is not currently a member of the United Homeowners Association. We have been informed that you are in the process of forming a new organization under the name of Fair Lane Acres, Inc. of which every property owner will be a member. Based upon this information, it appears that you are in the process of correcting the present situation. However, I must stress to you the importance of making every customer of the utility a member of the Homeowners Association. The Association will not qualify for an exemption from regulation unless every customer is a member. If the Association does not qualify for an exemption, it will be required to file an application for a certificate of authorization and will be required to operate as a regulated utility.

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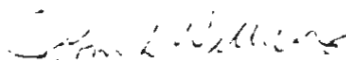
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Ms. Janis Koch
April 18, 1996
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If you close on the sale prior to May 7, 1996, as the new owner of the utility system, the Homeowners Association will be required to file an application for an exemption from regulation by the Florida Public Service Commission. The application should be filed no later than June 7, 1996 with Ms. Blanca Bayo, Director, Division of the Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Please feel free to call me or my staff at (904)413-6900 if you have any questions.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

JDW/MG

cc: Mr. Robert Barris
Mr. Bob Carr
Ms. Mary Randall
Mr. Fred Yonteck
Division of Water and Wastewater (Hill, Messer, Golden)
Division of Legal Services (Jaber, Pellegrini)
Division of Records and Reporting