



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

COMMISSION
CLERK

JUN - 5 AM 10:19

RECEIVED FPSC

DATE: JUNE 5, 2003

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (BRADY, REDEMANN, BASS) DM
OFFICE OF THE GENERAL COUNSEL (Vining) Ken

RE: DOCKET NO. 020091-WS - APPLICATION FOR TRANSFER OF
MAJORITY ORGANIZATIONAL CONTROL OF SERVICE MANAGEMENT
SYSTEMS, INC., HOLDER OF CERTIFICATES NOS. 517-W AND 450-S
IN BREVARD COUNTY, FROM PETRUS GROUP, L.P. TO IRD OSPREY,
LLC D/B/A AQUARINA UTILITIES.
COUNTY: BREVARD

AGENDA: 06/17/03 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\020091.RCM

CASE BACKGROUND

Service Management Systems, Inc. (SMS or utility) is a Class C water and wastewater utility located in the southeastern corner of Brevard County, approximately thirteen miles south of Melbourne Beach. The utility's service area is located in a non-primary water use caution area of the St. Johns River Water Management District (SJRWMD). The utility serves approximately 214 potable water, 55 irrigation, and 218 wastewater connections. SMS's 2002 annual report indicated gross revenues of \$182,677 for water, and \$86,967 for wastewater, with a net operating loss of \$69,645 for water, and \$62,249 for wastewater.

SMS was granted Certificate Nos. 517-W and 450-S by Order No. 22075, issued October 19, 1989, in Docket No. 880595-WS, under the

DOCUMENT NUMBER-DATE

04994 JUN-58

FPSC-COMMISSION CLERK

name of Aquarina Developments, Inc. (ADI). ADI had been providing water and wastewater service to the Aquarina Development since 1984 without compensation. In 1986, ADI entered into an agreement to provide bulk services to the Hammock, a neighboring development, on a temporary basis. By Order No. 18475, issued November 24, 1987, in Docket No. 870490-WS, the Commission determined that such service for compensation was jurisdictional and required ADI to file for original water and wastewater certificates.

Subsequent to the granting of the Hammock territory by Order No. 22075, ADI's certificates were amended to add its original Aquarina Development territory by Order No. 23059, issued June 11, 1990, in Docket No. 900167-WS. ADI has since amended its certificates one additional time to add the territory in the St. Andrews Village Subdivision, pursuant to Order No. PSC-92-0119-FOF-WS, issued March 30, 1992, in Docket No. 911129-WS.

By Order Nos. PSC-97-0206-FOF-WS, issued February 21, 1997, and PSC-97-0206A-FOF-WS, issued March 5, 1997, in Docket No. 960095-WS, the Commission recognized a corporate reorganization in which the assets of ADI were transferred to Service Management Systems, Inc. (SMS). SMS was a utility affiliate of ADI sharing the same ownership control. Then, pursuant to Order No. PSC-97-0918-FOF-WS, issued August 4, 1997, in Docket No. 970093-WS, the Commission approved a transfer of majority organizational control of SMS from ADI to the Petrus Group, L.P. with the utility name remaining as SMS.

On February 4, 2002, an application was filed for approval of the transfer of Service Management Systems, Inc., to IRD Osprey, LLC d/b/a Aquarina Utilities. The original filing was for a transfer of certificates and assets. On April 16, 2002, the contractual agreement was changed to reflect a transfer of majority organization control by means of a stock transfer to accommodate a number of financial issues. A subsequent addendum to the contract contained an unwind provision which subjected the transaction to ultimate Commission approval.

The Commission has jurisdiction to consider the request for approval of a transfer of majority organizational control pursuant to Section 367.071, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the transfer of majority organizational control of Service Management Systems, Inc. from the Petrus Group, L.P. to IRD Osprey, LLC d/b/a Aquarina Utilities be approved?

RECOMMENDATION: Yes. The transfer of majority organizational control is in the public interest and should be approved. (BRADY, REDEMANN, BASS, VINING)

STAFF ANALYSIS: As stated in the Case Background, on February 4, 2002, an application was filed seeking approval of the transfer of Service Management Systems, Inc., to IRD Osprey, LLC d/b/a Aquarina Utilities. The original filing was for a transfer of assets. On April 16, 2002, the contractual agreement was changed to reflect a transfer of majority organizational control. The stock sale closed prior to Commission approval. A subsequent addendum to the contract contained an unwind provision which subjected the transaction to ultimate Commission approval.

The application as filed and amended is in compliance with the governing statute, Section 367.071, Florida Statutes, pertaining to an application for transfer of majority organizational control. The application contained the correct filing fee prescribed by Rule 25-30.020, Florida Administrative Code. While the application did not return the utility's original certificates, it contained an explanation of the steps the applicant took to obtain them as required by Rule 25-30.037(3)(k), Florida Administrative Code.

Noticing. The application contained proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections to the application were received and the time for filing such objections has expired. Staff would note that one public information request related to the buyer's financial and technical ability was received subsequent to noticing. Staff provided the inquirer with a copy of the application which contained the requested information. The request did not rise to the level of a protest.

Contract and Financing. Rule 25-30.037(3), Florida Administrative Code, for a transfer of majority organizational control, does not require the filing of a copy of the contract as is the case for a transfer of certificates or facilities pursuant to Rule 25-30.037(2)(g), Florida Administrative Code. However,

since this docket was originally filed as a transfer of certificates and facilities, it contained an Agreement of Sale and Purchase (contract) executed March 28, 2001, with an effective date and valuation date of March 26, 2001.

The sellers are Petrus Corp. (Petrus), general partner of Petrus Group, L.P., Service Management Systems, Inc., and Aquarina Club Corporation (ACC). ACC is a Florida corporation which operates the golf course and clubhouse and owns a restaurant in the service area. The buyer is Indian River No. 1 Developers, LLC. The acquisition was for title to all development rights and real property owned by the sellers, including the utility facilities. IRD Osprey, LLC was established by the developer to own and separate the utility assets. The overall purchase price for the Aquarina development, including the utility assets, was \$11,350,000. This price was subject to adjustments during the due diligence period. The final value placed on the utility property and plant was \$1,380,000 based upon an independent appraisal of market value. While the contract originally anticipated that closing would occur in April of 2001, the actual settlement and closing occurred a year later on April 16, 2002.

The original contract contained a utility escrow agreement whereby the value of the utility at the closing would be delivered to an escrow agent until the Commission's vote on the transfer. Once the Commission approved or denied the transfer, the funds would revert to the buyer or seller, as applicable. As previously noted, the actual transfer was accomplished by the purchase of the utility's stock, rather than a transfer of the utility's facilities. The entity acquiring 100% of SMS's stock was IRD Osprey, LLC. A subsequent addendum to the contract contained an unwind provision subjecting the stock transfer to Commission approval.

Pursuant to Rule 25-30.037(3)(e) and (g), Florida Administrative Code, the application contained a statement describing the financing of the purchase, the entities providing funding to the buyer, and an explanation of the manner and amount of such funding. According to the application, the stock transfer was a cash transaction with monies provided by members of the buyer. There was to be no mortgage or other secured debt with respect to the utility facilities. Approximately \$172,000 of existing utility debt was to be repaid by the seller from proceeds at closing. As such, the utility assets passed to the buyer free

of debt with the exception of a loan from the Florida Department of Environmental Protection's (FDEP's) Drinking Water State Revolving Fund (DWSRF).

The utility is not authorized to collect customer deposits and, therefore, customer deposits were not addressed in the contract. In addition, the application states there were no guaranteed revenue contracts, customer advances, or developer agreements to be disposed of in association with the transfer. However, there was an existing agreement to allow the connection of 20 residential wastewater-only customers for which the Commission has approved a tariff rate, pursuant to PSC-02-0547-TRF-SU, issued April 22, 2002, in Docket No. 020111-SU.

Proof of Ownership. Rule 25-30.037(3)(i), Florida Administrative Code, requires evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost effective alternative.

The application contained a copy of proposed deeds to be utilized to transfer the utility property to the buyer once the transfer of certificates had taken place. When the transfer changed to a stock purchase, staff requested proof that SMS continued to own the land upon which the utility facilities are located. In response, a quit claim deed was provided by which ADI (the initial developer) had once quit-claimed the land to SMS. Control of the development subsequently passed from ADI to Petrus Group, L.P., and then from Petrus Group, L.P. to Indian River No. 1 Developers (the current buyers). Since the quit claim deed only provided a representation that, to the extent ADI has any rights to the land, it relinquished those rights to SMS, staff did not believe the quit claim deed was adequate proof of ownership in light of the subsequent transfers.

As a result, staff requested that the applicant also provide a title insurance policy. On May 22, 2003, the applicant filed a title insurance policy for the 2.37 acres under the utility facilities. Since Rule 25-30.037(3)(i), Florida Administrative Code, allows the Commission to consider cost effective alternatives to a warranty deed, staff believes that the title insurance policy, along with the Quit-Claim Deed, meets the requirements of the rule to provide adequate proof of ownership.

Annual Reports and Regulatory Assessment Fees (RAFs). Staff has verified that the utility is current with respect to annual reports and RAFs through 2002 and there are no outstanding penalties or interest.

Environmental Compliance. Pursuant to Rule 25-30.037(3)(h), Florida Administrative Code, the application contained a statement that, after reasonable investigation, the buyer has determined that the systems being acquired appear to be in satisfactory condition and in compliance with all applicable standards set by the FDEP. The application also indicated that, at the time of the contract, an evaluation of the system had been performed by a separate engineering firm.

As noted in the Case Background, the utility is in the SJRWMD which is a water use caution area. However, the utility's service area is not considered to be in a primary water use caution area. Upon contact by staff, the SJRWMD indicated that the utility is within the allocations specified by its consumptive use permit (CUP) and that there are no permit problems at this time.

The utility has two raw water wells which are each capable of pumping 1.0 million gallons per day (mgd). One well is used to supply the utility's reverse osmosis (RO) potable water system. The other well is a back-up well for the RO system, but is otherwise used to furnish non-potable water for irrigation and fire flow protection. The design capacity of the utility's RO plant is 120,000 gallons per day (gpd) with a 150,000 gallon storage tank.

Staff has confirmed with FDEP that the utility's water system is currently in environmental compliance. The utility was awarded a loan from the DWSRF to construct its 150,000 gallon pressed-concrete ground storage tank. The grant was issued September 15, 1999, in the amount of \$165,204 at an interest rate of 3.12%. The amount is to be paid back in semi-annual payments of \$6,120.65 for 20 years. This was the only prior utility debt assumed by the buyer.

The design capacity of the non-potable system is 1.0 mgd with a 1.2 million gallon storage tank. There is also a series of storm water retention ponds which, according to the utility's CUP, must be used for irrigation prior to drawing groundwater from the well. Two high service pumps and a small hydro-pneumatic tank with a back-up high service pump are used to maintain the pressure

necessary for fire flow. The majority of the non-potable water is used to irrigate the golf course. FDEP does not regulate nor inspect non-potable water systems.

The utility's wastewater treatment system is permitted to treat 99,000 gpd of wastewater on an average annual daily basis. Treated effluent flows to two drain fields each having 2,500 square feet of surface area. Plant sludge is transferred into an aerobic digester with the concentrated residuals sent to a local sludge facility for final disposal.

Staff has confirmed with FDEP that the utility's wastewater system is currently in environmental compliance. The utility's operating permit was renewed on September 26, 2002. Recently, the utility advised DEP that the drain field mounds will need repairs. Also, when the flows are adequate to support such facilities, the utility plans to apply for a permit to retrofit the wastewater plant with reuse facilities.

Public Interest. Pursuant to Rule 25-30.037(3)(f), Florida Administrative Code, the application contained a statement of how the transfer is in the public interest including a summary of the buyer's experience in water and wastewater operations and a showing of the buyer's financial ability to provide service. The statement also contained a pledge by the buyer to fulfill the commitments, obligations, and representations of the seller with regard to utility matters.

With respect to technical ability, one of the buyer's members, Mr. Sadkin, has had prior regulated utility experience. Mr. Sadkin's family owned and operated Bonaventure Utilities Corporation in Broward County under Certificate Nos. 49-W and 53-S from 1971 until 1980, when the utility facilities were sold to the City of Sunrise. With respect to SMS, the buyers have stated that they will continue to utilize the same personnel used by the seller for purposes of operating and maintaining the utility system for at least another year. If the buyers change operating personnel in the future, they have pledged to only seek professional operators and managers of water and wastewater systems who have knowledge of regulatory requirements and procedures.

In addition, according to the application, the members of the buying entity own a majority of the remaining unsold and unserved property within the certificated service area of the utility. As

such, the interests of the buyer's members are substantially the same as those of the utility to guarantee continuous and adequate water and wastewater service to properties within the service area.

With respect to financial ability, the application contained a statement that the buyer's members are committed to use their financial resources to fund any capital needs of the utility. The application also indicated that the buyers have the financial resources to provide real and significant benefits to the utility customers as capital or operational needs demand. The current potable and non-potable water and wastewater systems have excess capacity, so the utility does not anticipate the need for capital expansions in the foreseeable future. However, the utility facilities have been in continuous use since 1984 and repairs have been, and continue to be, needed.

Staff believes the buyer's members have adequately responded to the issues of technical and financial ability and public interest. In addition, at staff's request, the utility's regulatory attorney sent a letter to the new owners emphasizing the importance of developing a good relationship with the Commission, complying with Commission regulations, and maintaining books and records in conformance with the NARUC system of accounts. When certificates are ultimately issued to new owners, staff sends a detailed letter explaining Commission rules and regulations of general interest to new owners, the applicable NARUC system of accounts, and information on how to obtain assistance from staff. In response to the regulatory attorney's letter, staff was contacted directly by a member of the buyer acknowledging the letter and the buyer's intent to fully comply with Commission policy.

Rate Base. It has been Commission practice not to establish rate base for transfers of majority organizational control because a stock transfer has no regulatory impact on rate base. Similarly, it has also been Commission practice that an acquisition adjustment is not made for a stock transfer. Therefore, staff's recommendation does not include issues regarding the establishment of rate base at the time of the transfer nor an acquisition adjustment. In addition, staff would note that the utility has filed for a staff assisted rate case (SARC) in Docket No. 021228-WS.

DOCKET NO. 020091-WS

DATE: JUNE 5, 2003

Conclusion. Based upon all the above, staff recommends that the transfer of majority organizational control of Service Management Services, Inc. from Petrus Group, L.P. to IRD Osprey, LLC d/b/a Aquarina Utilities is in the public interest and should be approved.

ISSUE 2: Should the scrivener errors in the territory description be corrected?

RECOMMENDATION: Yes. The scrivener errors described in staff's analysis should be corrected as shown in Attachment A. In addition, within 90 days from the date of the order approving the transfer, the utility should be required to file revised water and wastewater territory descriptions, consolidated territory maps, and revised tariff sheets. Upon verification that the revised territory descriptions accurately reflect the utility's approved service territory, staff should be given the authority to issue an administrative order in this docket approving the revised territory descriptions. (BRADY, REDEMANN)

STAFF ANALYSIS: A corrected description of the territory granted by Certificate Nos. 517-W and 450-S is appended to this memorandum as Attachment A. The territory description contains two apparent scrivener's errors that were reflected in the implementing orders. One error makes a redundant reference to a lot boundary. The other error is in a range reference. With the exception of this one citation, all other references to the range in the description of the parcel are correct. As these changes do not affect the territory served by the utility, staff recommends that the scrivener errors be corrected.

In addition, the utility's territory descriptions rely on the use of government lots. Further, the utility's service areas can be more succinctly described with a single, consolidated legal description that incorporates all of the territories that it has been approved to serve for each service area. (SMS has different service areas for water and wastewater service.) Staff therefore recommends that the utility be given 90 days from the date of the order approving the transfer to file revised and consolidated territory descriptions for its approved territory, using township, range, and section references and metes and bounds descriptions where necessary. The descriptions may include references to government lots and plat books, but should not rely upon such references. For verification, the revised descriptions should be accompanied by composite territory maps which reflect the previously approved territory descriptions. The revised descriptions should also be accompanied by the associated revised water and wastewater tariff sheets. The utility agrees with staff that revised territory descriptions are needed.

DOCKET NO. 020091-WS

DATE: JUNE 5, 2003

Staff recommends the scrivener errors should be corrected as shown in Attachment A. In addition, within 90 days from the date of the order approving the transfer, the utility should be required to file revised water and wastewater territory descriptions, composite territory maps, and revised tariff sheets. Upon verification that the revised territory descriptions accurately reflect the utility's approved service territory, staff should be given the authority to issue an administrative order in this docket approving the revised territory descriptions.

ISSUE 3: Should the existing rates and charges for the utility be continued?

RECOMMENDATION: Yes. The rates and charges approved for the utility should be continued. The tariff filing reflecting the change in majority control should be approved and effective for services rendered or connections made on or after the stamped approval date. (BRADY)

STAFF ANALYSIS: The utility's current rates and charges for potable water, non-potable water, wastewater, and service availability were approved on April 16, 1996, in the staff-assisted rate case in Docket Number 941234-WS, as described in Order No. PSC-95-1417-FOF-WS. Since then, charges for potable water, non-potable water, and wastewater have been subject to a four-year rate case expense reduction in 2000, and price index increases in 1997, 1998, and 2002. Also, while the utility has no approved customer deposits, staff would note it does have the Commission's standard meter test deposits and miscellaneous service charges. Listed below are the utility's currently approved potable water, non-potable water, wastewater, and service availability rates and charges.

**MONTHLY (POTABLE) WATER SERVICE
RESIDENTIAL, MULTI-RESIDENTIAL, GENERAL SERVICE**

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 16.88
3/4"	25.31
1"	42.21
1 1/2"	84.41
2"	135.05
3"	270.09
4"	422.02
6"	844.04
 <u>Gallonage Charge</u>	
Per 1,000 gallons	\$ 5.24

MONTHLY NON-POTABLE WATER SERVICE

<u>Gallonage Charge</u>	
Per 1,000 gallons	\$ 0.56

**MONTHLY WASTEWATER SERVICE
RESIDENTIAL, MULTI-RESIDENTIAL, GENERAL SERVICE**

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 14.87
3/4"	22.30
1"	37.17
1 1/2"	74.33
2"	118.95
3"	237.88
4"	371.68
6"	743.38

Gallonge Charge

Per 1,000 gallons (10,000 maximum gallons per month for residential and multi-family)	\$ 4.62
---	---------

SERVICE AVAILABILITY FEES AND CHARGES

Plant Capacity Charges:

Water per 350 gallons per day	\$835.00
Non-Potable water	\$250.00
Wastewater per 280 gallons per day	\$560.00

Main Extension Charges:

Water per 350 gallons per day	\$ 75.00
Non-Potable water	\$ 50.00
Wastewater per 280 gallons per day	\$365.00

Meter Installation Charges:

<u>Meter</u>	<u>Potable Water</u>	<u>Non-Potable Water</u>
5/8" x 3/4"	\$150.00	\$150.00
3/4"	175.00	Actual Cost
1"	200.00	Actual Cost
1 1/2"	225.00	Actual Cost
2"	250.00	Actual Cost
Over 2"	Actual Cost	Actual Cost

Subsequent to the 1995 SARC, the utility has been granted two new classes of service. The first, for residential wastewater only service, was put into effect May 20, 2002, pursuant to Order No. PSC-02-0547-TRF-SU, issued April 22, 2002, in Docket No. 020111-SU.

DOCKET NO. 020091-WS
DATE: JUNE 5, 2003

The second was for non-potable water bulk irrigation service, and was put into effect February 13, 2003, pursuant to Order No. PSC-03-0115-TRF-WS, issued January 21, 2003, in Docket No. 021087-WS. The approved flat rate charges for these two new services are:

MONTHLY RESIDENTIAL WASTEWATER ONLY SERVICE

Flat Rate all Meter Sizes \$ 37.06

MONTHLY COMMON AREA BULK IRRIGATION SERVICE

Flat Rate all Meter Sizes \$661.35

Pursuant to Rule 25-9.044(1), Florida Administrative Code:

In case of changes of ownership or control of a utility which places the operation under a different or new utility the company which will thereafter operate the utility business must adopt and use the rates, classification[s] and regulations of the former operating company (unless authorized to change by the Commission).

For purposes of this transfer, the utility has not requested nor does staff recommend that there be any changes to the utility's rates, classifications, and regulations. However, as staff has already noted, the utility has filed for a staff assisted rate case in Docket No. 021228-WS. The customer meeting in that docket is currently scheduled for June 18, 2003.

Staff, therefore, recommends that the utility continue operations under its existing tariffs and apply the Commission approved rates and charges until authorized to change them by the Commission in a subsequent proceeding. The utility has filed revised water and wastewater tariffs reflecting the change in issuing officer pursuant to the transfer of majority organizational control. The tariff filing should be approved and effective for services rendered or connections made on or after the stamped approval date.

DOCKET NO. 020091-WS

DATE: JUNE 5, 2003

ISSUE 4: Should the docket be closed?

RECOMMENDATION: No. The docket should remain open pending receipt of revised water and wastewater territory descriptions, composite territory maps, and revised tariff sheets. Upon verification that the revised territory descriptions accurately reflect the utility's approved service territory, staff should be given the authority to issue an administrative order in this docket approving the revised territory descriptions and closing the docket. (VINING)

STAFF ANALYSIS: The docket should remain open pending receipt of revised water and wastewater territory descriptions, composite territory maps, and revised tariff sheets. Upon verification that the revised territory descriptions accurately reflect the utility's approved service territory, staff should be given the authority to issue an administrative order in this docket approving the revised territory descriptions and closing the docket.

**SERVICE MANAGEMENT SYSTEMS, INC.
WATER AND WASTEWATER TERRITORY
BREVARD COUNTY**

**Order No. 22075 - Water and Wastewater
The Hammock Condominium**

Township 29 South, Range 38 East
Section 36

From the Northwest corner of Section 36 run East along the North Section line a distance of 2,900 feet to the East right-of-way line of State Road A1A; thence run South 26°51'00" East, a distance of 1,980 feet along the East right-of-way line of State Road A1A. This point also known as the Southeast corner of said Lot 1. From the Southeast corner of said Lot 1; thence run South 68°33'54" West, along the Southerly boundary of said Lot 1 for a distance of 917.97 feet to the Point of Beginning of the following described parcel; thence continue South 68°33'54" West, a distance of 224.55 feet; thence run North 26°09'57" West, a distance of 233.68 feet; thence run North 63°50'03" East, a distance of 127.83 feet to a point of curvature of a circular curve, concave to the Southeast and having a radius of 118.00 feet; thence run Northeasterly along the arc of said curve through a central angle of 06°34'42", an arc distance of 13.44 feet to a point of tangency; thence run North 70°21'45" East, a distance of 110.59 feet; thence run South 19°38'45" East, a distance of 240.42 feet to the Point of beginning.

Also, from the Northwest corner of Section 36, run East along the North section line a distance of 2,900 feet to the East right-of-way line of State Road A1A; thence run South 26°51'00" East, a distance of 1,980 feet along the East right-of-way line of State Road A1A. This point also known as the Southeast corner of said Lot 1. Commence at the Southeast corner of said Lot 1; thence run South 68°33'54" West, a distance of 1,482.99 feet; thence run North 01°38'06" East, a distance of 295.81 feet to a Point of Beginning of the following described parcel; thence continue North 01°38'06" East, a distance of 187.16 feet; thence run South 83°21'54" East, a distance of 235.37 feet to a point of curvature of a circular curve, concave to the East and having a radius of 120.00 feet bearing North 67°46'27" West from the center of the next described curve; thence Southerly along the arc of said curve through a central angle of 48°23'30", an arc distance of 101.35 feet to a point of tangency, thence run South 26°09'57" East, a distance of

22.12 feet; thence run South 63°50'03" West, a distance of 155.27 feet to a point of curvature of a circular curve concave to the North and having a radius of 112.00 feet; thence run Westerly along the arc of said curve through a central angle of 48°45'15", an arc distance of 95.30 feet to a point of tangency; thence run North 67°24'43" West, a distance of 23.81 feet to the Point of Beginning.

The service description is also described as follows: Phase I of the Hammock Condominium, units 101 thru 309.

Order No. 23059 - Water and Wastewater
Aquarina Developments, Inc.

Township 29 South, Range 38 East
Sections 25, 35, and 36

Aquarina Planned Unit Development - Government Lots 4 and 5, Section 25, Township 29 South, Range 38 East, Brevard County, Florida, less the right-of-way for State Road A1A; and Government Lot 1, Section 35, Township 29 South, Range 38 East, Brevard County, Florida; and Government Lots 1, 2, and 3 Section 36, Township 29 South, Range 38 East, Brevard County, Florida, less the right-of-way for State Road A1A; the South 50.00 feet of said Government Lots 1, 2, and 3 lying West of State Road A1A; and that portion of said Government Lot 1 parallel with and adjacent to the existing West right-of-way line of State Road A1A to a depth of 20.00 feet. (Containing 169.9 acres, more or less.)

Also described as;

From the Northwest corner of Section 36, Township 29 South, Range 38 East, Brevard County, also known as the Point of Beginning, run due North along the West line of the Southwest 1/4 of Section 25, a distance of 1,600 feet, more or less. From said point run due East along the North line of Government Lots 4 and 5, less the right-of-way for State Road A1A, a distance of 3,300 feet more or less to a point located on the West Bank of the Atlantic Ocean. From said point, run Southeasterly along the bank of the Atlantic Ocean a distance of 4,000 feet more or less to a point being the Southeast corner of Government Lot 1. From said point run due West along the South line of Government Lots 1, 2, and 3, less the right-of-way for State Road A1A, a distance of 4,500 feet more or less, to a point on the East Bank of the Indian River. From said point run Northwesterly parallel with the East Bank of the Indian River

to a point located on the North line of Section 35, Township 29 South, Range 38 East in Brevard County. From said point run due East along the North line of Section 35, a distance of 400 feet, more or less, to the Point of Beginning.

Order No. PSC-92-0119-FOF-WS - Water
St. Andrews Village

Township 29 South, Range 38 East
Sections 31 and 36

and

Township 30 South, Range 39 East
Sections 1 and 6

A portion of Section 36, Township 29 South, Range 38 East, Section 31, Township 29 South, Range 38 East and Section 6, Township 30 South, Range 39 East, Section 1, Township 30 South, Range 39 East, Brevard County, Florida, being more particularly described as follows:

From the Northwest corner of said Section 36, run Easterly along the North line of said Section 36 a distance of 2,985 feet, more or less, to the centerline of State Road A1A; thence run Southeasterly along the centerline of State Road A1A a distance of 1,520 feet, more or less, to the intersection of the North line of Government Lot 6, Section 36, Township 29 South, Range 38 East, with the centerline of State Road A1A, being the Point of Beginning of the herein described parcel; thence run Easterly along the North line of said Government Lot 6, a distance of 300 feet, more or less, to the mean high water line of the Atlantic Ocean; thence run Southeasterly along said mean high water line thru said Sections 36, 31, and 6, a distance of 9,100 feet, more or less, to the South line of Government Lot 3 of said Section 6, Township 30 South, Range 39 East; thence departing said mean high water line, run Westerly along the South line of said Government Lot 3 a distance of 1,550 feet, more or less, to the mean high water line of the Indian River; thence run Northwesterly along said mean high water line a distance of 13,300 feet, more or less, to the North line of Government Lot 4 of said Section 36, Township 29 South, Range 38 East; thence run Easterly along the North lines of Government Lots 4, 5, and 6 of said Section 36 a distance of 3,300 feet, more or less, to the Point of Beginning.

Less and except "The Hammock Condominium I," being a portion of Government Lots 5 and 6 of said Section 36, Township 29 South, Range 38 East, being described in Official Records Book 2732, Page 1060 of the Public Records of Brevard County, Florida.

A portion of Lot 1, Sunnyland Groves Subdivision, according to the plat thereof as recorded in Plat Book 9, Page 42, Public Records of Brevard County, Florida, being a portion of Government Lots 5 and 6, Section 36, Township 29 South, Range ~~37 East~~ Range 38 East, being more particularly described as follows:

From the Northwest corner of said Section 36, run Easterly along the North line of said Section 36 a distance of 2,985 feet, more or less, to the centerline of State Road A1A; thence run Southeasterly along the centerline of State Road A1A a distance of 1,835 feet, more or less; thence run South 68°33'54" West, along the Easterly extension of the Southerly line of said Lot 1 ~~and the Southerly line of said Lot 1~~ a distance of 968.19 feet to the Point of beginning of the following described parcel; thence continue South 68°33'54" West, a distance of 224.55 feet; thence run North 26°09'57" West a distance of 233.68 feet; thence run North 63°50'03" East, a distance of 127.83 feet to a point of curvature of a circular curve, concave to the Southeast and having a radius of 118.00 feet; thence run Northeasterly along the arc of said curve through a central angle of 06°31'42" an arc distance of 13.44 feet to a point of tangency; thence run North 70°21'45" East, a distance of 110.59 feet; thence run South 19°38'15" East, a distance of 240.42 feet to the Point of Beginning.

Containing 1.31 acres, more or less, and less any reservations, dedications, or easements of record.

Order No. PSC-92-0119-FOF-WS - Wastewater
St. Andrews Village

Township 29 South, Range 38 East
Sections 25, 26, and 36

A portion of Section 25, Township 29 South, Range 38 East and Section 26, Township 29 South, Range 38 East, Brevard County, Florida, being more particularly described as follows:

From the Northwest corner of said Section 25, run Southerly along the West line of said Section 25 a distance of 2,640 feet, more or

less, to the Southwest corner of Government Lot 2 and the Point of Beginning of the herein described parcel; thence run Northerly along the West line of said Government Lot 2 a distance of 1,320 feet, more or less, to the Northwest corner of said Government Lot 2; thence run Easterly along the North line of said Government Lot 2 a distance of 1,300 feet, more or less, to the mean high water line of the Atlantic Ocean; thence run Southeasterly along said mean high water line thru Government Lot 2 and Government Lot 3 of said Section 25 a distance of 3,100 feet, more or less, to the South line of Government Lot 3 of said Section 25; thence departing said mean high water line, run Westerly along the South line of said Government Lot 3 a distance of 2,700 feet, more or less, to the Southeast corner of Government Lot 3 of the aforesaid Section 26; thence continue Westerly along the South line of said Government Lot 3, Section 26, a distance of 1,270 feet, more or less, to the mean high water line of Mullet Creek; thence run Northwesterly along said mean high water line a distance of 1,750 feet, more or less, to the North line of Government Lot 11 of said Section 26; thence departing said mean high water line run Easterly along the North line of said Government Lots 11 and 3, Section 26, a distance of 2,400 feet, more or less, to the Point of Beginning.

Together with a portion of Section 36, Township 29 South, Range 38 East, Brevard County, Florida, being more particularly described as follows:

From the Northwest corner of said Section 36 run Easterly along the North line of said Section 36 a distance of 2,985 feet, more or less, to the centerline of State Road A1A; thence run Southeasterly along the centerline of State Road A1A a distance of 1,520 feet, more or less, to the intersection of the North line of Government Lot 6 of said Section 36 with the centerline of State Road A1A, being the Point of Beginning of the herein described parcel; thence run Easterly along the North line of said Government Lot 6 a distance of 300 feet, more or less, to the mean high water line of the Atlantic Ocean; thence run Southeasterly along said mean high water line thru Government Lots 6 and 8 of said Section 36 a distance of 3,050 feet, more or less, to the South line of said Government Lot 8; thence departing said mean high water line run Westerly along the South line of said Government Lot 8 a distance of 700 feet, more or less, to the mean high water line of the Indian River; thence run Northwesterly along said mean high water line a distance of 5,700 feet, more or less, to the North line of Government Lot 4 of said Section 36; thence run Easterly along the

North lines of Government Lots 4, 5, and 6 of said Section 36 a distance of 3,300 feet, more or less, to the Point of Beginning.

Less and except "The Hammock Condominium I," being a portion of Government Lots 5 and 6 of said Section 36, Township 29 South, Range 38 East, being described in Official Records Book 2732, Page 1060 of the Public Records of Brevard County, Florida.

A portion of Lot 1, Sunnyland Groves Subdivision, according to the plat thereof as recorded in Plat Book 9, Page 42, Public Records of Brevard County, Florida, being a portion of Government Lots 5 and 6, Section 36, Township 29 South, ~~Range 37 East~~ Range 38 East, being more particularly described as follows:

From the Northwest corner of said Section 36, run Easterly along the North line of said Section 36 a distance of 2,985 feet, more or less, to the centerline of State Road A1A; thence run Southeasterly along the centerline of State Road A1A a distance of 1,085 feet, more or less; thence run South 68°33'54" West, along the Easterly extension of the Southerly line of said Lot 1 ~~and the Southerly line of said Lot 1~~ a distance of 968.19 feet to the Point of Beginning of the following described parcel; thence continue South 68°33'54" West, a distance of 224.55 feet; thence run North 26°09'57" West a distance of 233.68 feet; thence run North 63°50'03" East, a distance of 127.83 feet to a point of curvature of a circular curve, concave to the Southeast and having a radius of 118.00 feet; thence run Northeasterly along the arc of said curve through a central angle of 06°31'42" an arc distance of 13.44 feet to a point of tangency; thence run North 70°21'45" East, a distance of 110.59 feet; thence run South 19°38'15" East, a distance of 240.42 feet to the Point of Beginning.

Containing 1.31 acres, more or less, and less any reservations, dedications, or easements of record.