

# ORIGINAL

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September 9, 2003

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RECEIVED FPSC  
03 SEP -9 PM 12: 25  
COMMISSION  
CLERK

Re: Docket No. 030589-WS  
Joint Application of East Pasco Utilities, Inc. and Pasco County for Transfer  
of Water and Wastewater Facilities to Pasco County

Dear Sir/Madam:

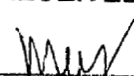
Following up on my recent telephone conferences with Commission Staff,  
enclosed for filing in the above docket are three (3) copies each of the following  
documents:

1. Resolution No. 03-239, as issued by the Pasco County Board of  
County Commissioners on August 26, 2003, authorizing the  
acquisition of the water and wastewater facilities of East Pasco  
Utilities, Inc.; and
2. the fully executed and approved Water and Wastewater System  
Purchase and Sale Agreement between Pasco County and East Pasco  
Utilities, Inc.

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
MMS \_\_\_\_\_  
SEC \_\_\_\_\_  
OTH \_\_\_\_\_

Please further note that we will address the last outstanding matter regarding  
payment of regulatory assessment fees for the current calendar year shortly.

RECEIVED & FILED

  
FPSC-BUREAU OF RECORDS

Resolution  
DOCUMENT NUMBER-DATE

08488 SEP-9 8

FPSC-COMMISSION CLERK

Agreement  
DOCUMENT NUMBER-DATE  
08489 SEP-9 8  
FPSC-COMMISSION CLERK

Please acknowledge your receipt of the foregoing by stamping the enclosed duplicate of this transmittal letter and returning same to our courier.

Thank you very much for your attention.

Sincerely,

A handwritten signature in cursive script that reads "Wayne L. Schiefelbein".

Wayne L. Schiefelbein  
Of Counsel

Copies (w/o enc.) Martha C. Brown, Esq.  
Cheryl Johnson

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PASCO COUNTY, FLORIDA, DIRECTING AND AUTHORIZING THE ACQUISITION OF MIXED PROPERTY OWNED OR UTILIZED BY EAST PASCO UTILITIES, INC., TO PROVIDE POTABLE WATER AND WASTEWATER SERVICE IN PASCO COUNTY, FLORIDA; PROVIDING FOR FINDING OF A PUBLIC PURPOSE AND NECESSITY; PROVIDING THAT THE ACQUISITION IS IN THE PUBLIC INTEREST IN CONFORMANCE WITH SECTION 125.3401, FLORIDA STATUTES; PROVIDING AUTHORITY TO COMPLETE THE PURCHASE AND SALE; PROVIDING FOR APPLICABILITY AND AN EFFECTIVE DATE

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Pasco County, Florida, in regular session duly assembled that:

SECTION I. AUTHORITY. Pursuant to Chapter 125, Florida Statutes, the Board of County Commissioners (the "Board") of Pasco County, Florida (the "County"), has all the powers of local self-government to perform County functions and render services for County purposes in a manner not inconsistent with general law or with a special law approved by the vote of the electors. Such power includes the authority to provide water and wastewater utility services and to acquire water and wastewater collection, treatment, and disposal facilities within the County.

SECTION II. FINDINGS. It is hereby ascertained, determined, and declared:

A. East Pasco Utilities, Inc., owns and operates potable water plants, distribution lines, meters, and wastewater transmission and collection mains that provide water and wastewater services to lands located in Pasco County. Representatives of East Pasco Utilities, Inc., and the County have identified all of the assets necessary to provide service and have recommended the purchase and sale thereof.

B. Public ownership and control of existing water and wastewater utility systems, including the East Pasco Utilities, Inc.'s systems will provide the opportunity for the County to: 1) further develop a regional approach to the comprehensive supply, distribution and treatment of water and the collection, treatment and disposal of wastewater; 2) seek economies of scale resulting from the unified and regional provision of utility services by local government; 3) ensure that current and future users of the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, and other County facilities are provided with cost-efficient services at reasonable rates by local government; 4) ensure that the operation and maintenance of water and wastewater facilities is done in a proactive and environmentally responsible manner; 5) stabilize rates over the long term, reduce inefficient expansion and extension of service capacities, and avoid the proliferation of smaller treatment facilities and sites; 6) assure the appropriate expansion and interconnection of existing facilities and the construction of future facilities in a coordinated, uniform, and nondiscriminatory manner; 7) accomplish a greater public use and increased public benefit which will result from the ownership, operation, and control of the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, by the County.

C. Based upon the foregoing, the Board expressly finds that the provision of the County-owned and operated water and wastewater utility constitutes a public purpose and is in the best interest of the

DOCUMENT NUMBER-DATE

health, safety, and welfare of the County and its inhabitants. Further, the Board expressly finds that the acquisition, placement in public use, and incorporation into the County water and sewer system of the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, is in the public interest, and is necessary for the fulfillment of the public purpose of providing a County-owned and operated water and wastewater utility, and will provide a greater public use and increased public benefit than the existing use.

**SECTION III. PUBLIC INTEREST DETERMINATION OF PURCHASE.**

Attached to this Resolution is the County report documenting that the purchase of the East Pasco Utilities, Inc., is in the public interest, and such report is incorporated herein by reference. The report summarizes the following:


- A. The most recently available income and expense statement of the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems;
- B. The most recently available balance sheets for the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, listing the assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon;
- C. A statement of the existing rate base of the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, for regulatory purposes;
- D. The physical condition of the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, facilities being purchased;
- E. The reasonableness of the purchase price to be paid and the terms of the Purchase and Sale Agreement;
- F. The impacts of the contemplated acquisition on utility customers served by East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, as well as utility customers served by the County, both positive and negative;
- G. Any additional investment required and the ability and willingness of the County to make that investment;
- H. The alternatives to the contemplated acquisition and the potential impact on utility customers if the East Pasco Utilities, Inc.'s Water and Wastewater Utility Systems, is not acquired;
- I. The ability of the County as purchaser to provide and maintain high quality and cost-effective utility service; and,
- J. A statement prepared by the Pasco County Utilities Department showing that: 1) the acquisition of the water and wastewater system assets of East Pasco Utilities, Inc., is in the public interest, including a summary of the County's experience in utility operation; and 2) the County has the financial ability to provide, now and in the future, high-quality, and cost-effective utility services.

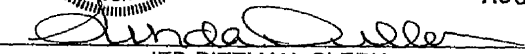
**SECTION IV. AUTHORITY TO COMPLETE PURCHASE AND SALE.** A Purchase and Sale Agreement entitled "Water and Wastewater System Purchase and Sale Agreement Between Pasco County, Florida, and East Pasco Utilities, Inc.," which sets forth a purchase price of Two Million Eight Hundred Forty-One

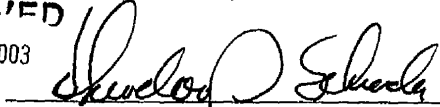
Thousand and 00/100 Dollars (\$2,841,000.00) is hereby approved. The Board hereby authorizes and directs the Chairman to execute the Purchase and Sale Agreement on behalf of the Board in substantially the form of the Agreement provided and to deliver executed copies of same to East Pasco Utilities, Inc. The Board authorizes the Chairman, members of the Board, officers, attorneys, and other agents or employees of the County to do all acts and things required of them by this Resolution and the Purchase and Sale Agreement, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in this Resolution and the Purchase and Sale Agreement, and each member of the Board, officers, attorneys, and other agents or employees of the County is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution or the Purchase and Sale Agreement.

**SECTION V. APPLICABILITY AND EFFECTIVE DATE.** This resolution shall take effect immediately upon its adoption.

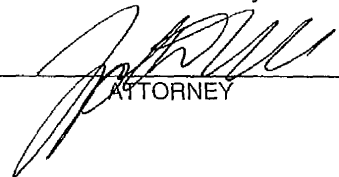
**DONE AND RESOLVED** this 26<sup>th</sup> day of August, 2003.

 BOARD OF COUNTY COMMISSIONERS  
OF PASCO COUNTY, FLORIDA  
**APPROVED**  
AUG 26 2003

  
JED PITTMAN, CLERK

  
THEODORE J. SCHRADER, CHAIRMAN

APPROVED AS TO LEGAL FORM AND SUFFICIENCY  
Office of the Pasco County Attorney

  
ATTORNEY