

98 JUL -9 AM 10:42



Public Service Commission
RECORDS AND REPORTING
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUNPID AVENUE
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: JULY 9, 1998

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

FROM: DIVISION OF WATER AND WASTEWATER (STAH'ING, REDEMANN) *BSA OK PPR GSW*
DIVISION OF LEGAL SERVICES (JAEGER) *JP*

RE: DOCKET NO. 971621-WS - APPLICATION FOR AMENDMENT OF CERTIFICATES NOS. 355-W AND 311-S TO INCLUDE ADDITIONAL TERRITORY IN MARION COUNTY BY RAINBOW SPRINGS UTILITIES, L.C.
COUNTY: MARION

AGENDA: JULY 21, 1998 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\WAW\WP\971621.RCM

CASE BACKGROUND

Rainbow Springs Utilities, L.C. (Rainbow Springs, or utility) is a Class B utility which provides water and wastewater service in Marion County. According to the utility's 1997 Annual Report, it serves 1,313 water customers (includes 469 irrigation customers) and 815 wastewater customers. In 1997, the utility had annual operating revenues of \$577,220 and a net operating income of \$19,138 for water and wastewater. The utility's facilities consist of one water treatment system, one water transmission and distribution system, one wastewater treatment plant, and one wastewater collection system.

On December 16, 1997, Rainbow Springs filed for an amendment of Certificates Nos. 355-W and 311-S to add territory in Marion County. On December 26, 1997 the Commission received the first of many objections to the application. All objectors seemed to come

DOCUMENT NUMBER-DATE

07219 JUL -9 8

FPSC-RECORDS/REPORTING

DATE: July 9, 1998

from the areas known as the "Woodlands" or "Forest." Staff attempted to send letters to all objectors (one letter was returned as undeliverable) to verify if the letters were truly requests for hearing or requests for intervention. Instead, the Village of Rainbow Springs Homeowners Association (hereinafter Homeowners Association), representing the homeowners in the "Woodlands" and the "Forest," filed its petition for intervention on February 24, 1998. Intervention was granted by Order No. PSC-98-0357-PCO-WS, issued March 4, 1998.

In seeking to reach a settlement, the utility, on March 4, 1998, filed a restrictive amendment to its original application purporting to delete the areas known as the "Woodlands" and the "Forest." However, because these areas were not formally platted, the Homeowners Association could not verify that all homeowners were actually deleted in what it considered to be the "Woodlands" and the "Forest".

To fully settle this dispute, the utility and the Homeowners Association entered into a Joint Stipulation and Settlement Agreement (Settlement Agreement) dated May 8, 1998. By this Settlement Agreement, the parties request that the Commission approve the Settlement Agreement and place certain language in the Settlement Agreement in the order itself.

Also, at the time of the amendment application, the utility was serving 579 customers outside of its certificated area. The utility first noticed this problem when it filed for a transfer of majority organizational control. This amendment case was filed to correct the problem. Staff has authority to administratively approve applications for amendment when no objections have been filed and the application is without controversy. This case is being brought to the attention of the Commission to address the Settlement Agreement between the utility and the Homeowners Association and the utility's apparent violation of Section 367.045(2), Florida Statutes, in that the utility is serving outside its certificated area. The settlement agreement will be addressed in Issue 1 and the apparent violation of Section 367.045(2), Florida Statutes, will be addressed in detail in Issue 2.

DISCUSSION OF ISSUES

ISSUE 1: Should the Joint Stipulation and Settlement Agreement entered between the utility and the Village of Rainbow Springs Homeowners Association be approved?

RECOMMENDATION: Yes, the Joint Stipulation and Settlement Agreement should be approved. Based on this approval, the Commission should acknowledge the withdrawal of the objection and the requested language should be placed in the order. (JAEGER)

STAFF ANALYSIS: As stated above, the utility and the Homeowners Association have reached a settlement in this case. By its restrictive amendment filed March 4, 1996, the utility sought to delete any territory which included homeowners from the "Woodlands" and the "Forest." However, because the Homeowners Association was having difficulty ascertaining that all its homeowners territory was in fact deleted, it sought additional assurances from the utility.

The utility agreed to give these additional assurances. Further, both parties agreed that the following language represents the basis of their settlement and that such language should be included in any Final Order issued by the Commission:

The Village of Rainbow Springs Homeowners Association sought and was granted intervenor status in this proceeding based on its assertion that certain of its members reside on residential lots of one acre or larger, which lots were already served by individual potable water wells and septic tank wastewater systems in subdivisions known as "The Forest" and "The Woodlands". The Village of Rainbow Springs Homeowners Association asserted that these members' substantial interests would be affected by the granting of the original amendment and the resulting potential that the Utility might force them to switch from the expensive individual systems to the Utility's centralized systems.

Seeking to eliminate the basis of the protests, the Utility filed a Restrictive Amendment to its original application by which it purported to remove completely the areas

encompassing The Forest and The Woodlands. The Village of Rainbow Springs Homeowners Association is agreeable to the Restrictive Amendment but has been unable to confirm to its satisfaction that all the one acre or larger residential lots in The Forest and The Woodlands are excluded by the revised maps and legal descriptions submitted by the Utility with its Restrictive Amendment. Because the names "The Forest" and "The Woodlands" are not defined terms in recorded plats or elsewhere no such definitive assurances can be gained by reference to those names.

However, based on assurances by the Utility that all currently platted one acre and larger lots either currently utilizing individual potable wells and septic tanks and those currently entitled to use such systems within the areas commonly referred to as The Forest and The Woodlands have been removed by the Restrictive Amendment and, further, that the Utility has no intention of trying to force service on any of those lots as a result of territory awarded through this proceeding, the Village of Rainbow Springs Homeowners Association has agreed to withdraw from its intervenor status in this proceeding and to withdraw its protest to the requested territorial expansion, as modified by the Restrictive Amendment. The Utility will not attempt, through the award of territory in this proceeding, to require service by any currently platted residential lot of one acre or larger that is currently utilizing individual potable wells and septic tanks, or which is currently entitled to use such systems and located within either The Forest or The Woodlands, but whose legal description might have been inadvertently included in the service territory approved by the Commission in this docket.

Upon acceptance of this language and insertion into an Order of the Commission, the parties are all agreed that the Homeowners Association will withdraw from its intervenor status and that the protest to the remaining territory will be withdrawn.

DOCKET NO. 971621-WS
DATE: July 9, 1998

Based on all the above, and having reviewed the proposed language, staff recommends that the Commission approve the settlement agreement, acknowledge the withdrawal of the objection, and have the above-noted language inserted in the order.

ISSUE 2: Should the Commission order Rainbow Springs Utilities, L.C., to show cause, in writing within twenty days, why it should not be fined for violation of Section 367.045(2), Florida Statutes?

RECOMMENDATION: No. Show cause proceedings should not be initiated. (JAEGER)

STAFF ANALYSIS: At the time of the application, the utility was serving 579 customers outside of its certificated territory. The utility states that it thought the territory encompassing these customers was already in its service territory, and that such territory was inadvertently omitted.

Pursuant to Section 367.045(2), Florida Statutes, a utility may not delete or extend its service area outside the area described in its certificate of authorization until it has obtained an amended certificate of authorization from the Commission. Section 367.161(1), Florida Statutes, authorizes the Commission to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or to have willfully violated, any provision of Chapter 367, Florida Statutes.

The utility first became aware that it was serving outside of its certificated area when it filed for a transfer of majority control (Docket No. 971195-WS opened on September 12, 1997). Utilities are charged with the knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833). The utility's failure to obtain prior Commission approval to extend its service area outside the area described in its certificate of authorization appears to be willful in the sense intended by Section 367.161, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL titled In Re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating to Tax Savings Refund for 1988 and 1989 for GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that the "'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6.

However, at one point in time, the utility's tariff actually showed that the utility was authorized to provide service to a majority of this territory. With the processing of Docket No.

DOCKET NO. 971621-WS
DATE: July 9, 1998

971195-WS, the staff discovered that this territory had never been granted to the utility. Upon being advised by staff that it had never been granted the territory in question, the utility promptly moved to correct the problem. In consideration of the foregoing, and based on the confusion caused by the incorrect territory description in the utility's tariff, staff does not believe that this utility's violation of Section 367.045(2), Florida Statutes, rises to the level of warranting that a show cause order be issued. Therefore, staff recommends that the Commission not order the utility to show cause why it should be fined for failing to obtain the Commission's approval for extending its service area prior to serving that area.

ISSUE 3: Should the application of Rainbow Springs Utilities, L.C. for amendment of Water Certificate No. 355-W and Wastewater Certificate No. 311-S be granted?

RECOMMENDATION: Yes, Rainbow Springs Utilities, L.C. application should be granted for the additional territory described in Attachment A. Rainbow Springs Utilities, L.C. should charge the customers in the territory added herein the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (STARLING, REDEMANN)

STAFF ANALYSIS: As stated earlier, on December 16, 1997, the utility filed an application for amendment of Certificates Nos. 355-W and 311-S to add territory in Marion County. The application contains a check in the amount of \$4,500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has provided a copy of a warranty deed which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e), (f) and (i), Florida Administrative Code. A composite water and wastewater territory description is appended to this recommendation as Attachment A. This description includes the area originally granted to the utility by Order No. 10846 in Docket No. 810352-WS and the new area in this docket. The utility has submitted an affidavit consistent with Section 367.045(?) (d), Florida Statutes, that it has tariffs and annual reports on file with the Commission.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. As stated earlier, on December 26, 1997 the Commission received the first of many objections to the application, and in Issue 1, staff recommends that the settlement be approved. Further, pursuant to the restrictive amendment and Joint Stipulation and Settlement Agreement discussed in Issue 1 above, it appears that all objections have been resolved. The local planning agency was provided notice of the application and did not file a protest to the amendment. Staff has contacted the Department of Environmental Protection (DEP) and learned that there are no outstanding notices of violation regarding this utility.

The utility has been in existence since 1965 and recently completed a rate case on September 30, 1996 in Docket No. 950828-

WS. The facility is operated and maintained by licensed operators. The water treatment plant can produce 2,380,000 gallons per day (gpd). The current average flow is 496,000 gpd. The utility's wastewater treatment and disposal system is currently rated at 230,000 gpd and the average daily flow for the year is about 73,000 gpd. According to the application, the water and wastewater facilities are in place to serve the existing areas currently in need of service and those anticipated to be in need of service in the near future. To the extent additional capacity is needed, the utility will undertake those expansions when needed. Based on the above information, staff believes that the utility has the capacity and the technical expertise to serve these customers now and in the future.

In the last rate case of this utility, the Commission, by Order No. PSC-96-1299-FOF-WS, issued September 30, 1996, in Docket No. 950828-WS, approved final rates and charges. These rates were increased, effective May 19, 1998, as a result of a price index. Rainbow Springs should charge the customers in the territory added herein the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.

Based on the above information, staff believes it is in the public interest to grant the application of Rainbow Springs for amendment of Water Certificate No. 355-W, and Wastewater Certificate No. 311-S to add the additional territory described in Attachment A. The utility has returned the certificate for entry of the additional territory and filed revised tariff sheets which reflect the amended territory description.

DOCKET NO. 971621-WS
DATE: July 9, 1998

ISSUE 4: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed. (JAEGER)

STAFF ANALYSIS: No further action will be required, and the docket should be closed.

ATTACHMENT A

RAINBOW SPRINGS UTILITIES, L.C.

MARION COUNTY

COMPOSITE WATER AND WASTEWATER SERVICE AREA

PARCELS OF LAND LYING IN SECTIONS 3, 10, 11, 12, 13, 14, 15, 22, 23 AND 24, TOWNSHIP 16 SOUTH, RANGE 18 EAST, AND ALSO LYING IN SECTIONS 5, 6, 7, 8, 18 AND 19, TOWNSHIP 16 SOUTH, RANGE 19 EAST, ALL IN MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IN SAID SECTION 3: THE SOUTH 1/2, LESS AND EXCEPT THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 THEREOF;

AND, IN SAID SECTION 10: THE EAST 1/2; AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4;

AND, IN SAID SECTION 11: THE NORTHWEST 1/4; AND THE EAST 1/2 OF THE SOUTHWEST 1/4;

AND, IN SAID SECTION 12: THE SOUTH 1/2; THE SOUTH 1/2 OF THE NORTHWEST 1/4; THAT PORTION OF THE NORTH 1/2 OF THE NORTHWEST 1/4 LYING EAST OF U.S. HIGHWAY NO. 41; THE SOUTH 1/4 OF THE NORTHEAST 1/4; AND THAT PORTION OF THE NORTH 3/4 OF THE NORTHEAST 1/4 LYING WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 13: THAT PORTION LYING SOUTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD AND LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41;

AND, IN SAID SECTION 14: THAT PORTION LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41;

AND, IN SAID SECTION 15: THAT PORTION LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 22: THAT PORTION LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 23: THE WEST 5/8 OF THE SOUTHWEST 1/4; THAT PORTION OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; THAT PORTION OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 AND THAT PORTION

DOCKET NO. 971621-WS
DATE: July 9, 1998

OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 23; THENCE $S01^{\circ}19'23''E$, ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE SOUTHEAST 1/4, 644.07 FEET, TO THE POINT OF BEGINNING; THENCE $N88^{\circ}40'37''E$, 320.04 FEET; THENCE $N01^{\circ}19'23''W$, 642.55 FEET, TO A NON-TANGENT INTERSECTION WITH A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 1673.01 FEET; THENCE EASTERLY, ALONG SAID CURVE, 169.74 FEET, THROUGH A CENTRAL ANGLE OF $05^{\circ}48'47''$ AND A CHORD BEARING AND DISTANCE OF $S83^{\circ}02'11''E$, 169.66 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE $S85^{\circ}56'34''E$, 480.52 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE, 47.12 FEET, THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ AND A CHORD BEARING AND DISTANCE OF $S40^{\circ}56'34''E$, 42.43 FEET, TO THE POINT OF TANGENCY THEREOF AND THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; THENCE $S04^{\circ}03'26''W$, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, 1249.34 FEET, TO THE SOUTH LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4; THENCE $N89^{\circ}55'37''W$, ALONG SAID SOUTH LINE, 187.72 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD; THENCE $N60^{\circ}00'08''W$, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 806.05 FEET, TO THE AFOREMENTIONED WEST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4; THENCE $N01^{\circ}19'23''W$, ALONG SAID WEST LINE, 279.89 FEET, TO THE POINT OF BEGINNING; AND

THAT PORTION OF THE NORTH 1/2 LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD AND LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; AND THAT PORTION OF THE NORTH 1/2 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 23; THENCE $N89^{\circ}53'44''W$, ALONG THE SOUTH LINE OF SAID NORTH 1/2, 1584.03 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD; THENCE $N60^{\circ}00'08''W$, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 780.99 FEET; THENCE $N29^{\circ}59'52''E$, 48.53 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 857.77 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 320.26 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ}23'31''$ AND A CHORD BEARING AND DISTANCE OF $N19^{\circ}18'07''E$, 318.40 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE $N08^{\circ}36'21''E$, 13.12 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 757.77 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 282.92 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ}23'31''$ AND A CHORD BEARING AND DISTANCE OF $N19^{\circ}18'07''E$, 281.28 FEET, TO THE POINT OF

TANGENCY THEREOF; THENCE N29°59'52"E, 531.95 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE EASTERLY, ALONG SAID CURVE, 53.15 FEET, THROUGH A CENTRAL ANGLE OF 101°30'00" AND A CHORD BEARING AND DISTANCE OF S60°44'52"E, 46.46 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE S48°30'08"E, 1632.09 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1673.01 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE, 623.52 FEET, THROUGH A CENTRAL ANGLE OF 21°21'13" AND A CHORD BEARING AND DISTANCE OF S59°10'45"E, 619.92 FEET; THENCE S20°08'40"W, 88.89 FEET, TO THE POINT OF BEGINNING;

AND, IN SAID SECTION 24: THE NORTH 1/2; THE NORTH 1/2 OF THE SOUTHWEST 1/4; THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; AND THAT PORTION OF THE NORTH 3/4 OF THE SOUTHEAST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 5: THAT PORTION OF THE WEST 1/2 LYING SOUTH AND EAST OF THE RIGHT-OF-WAY FOR STATE ROAD 40;

AND, IN SAID SECTION 6: THAT PORTION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 LYING SOUTH AND EAST OF THE RIGHT-OF-WAY FOR STATE ROAD 40; AND THAT PORTION OF THE WEST 1/2 OF THE NORTHEAST 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 6; THENCE S59°30'43"W, 948.08 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE WESTERLY, ALONG SAID CURVE, 39.27 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF N75°29'17"W, 35.36 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N30°29'17"W, 677.96 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 50.00 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 78.54 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF N14°30'43"E, 70.71 FEET, TO THE POINT OF TANGENCY THEREOF AND THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 40; THENCE N59°30'43"E, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 1002.78 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 2824.79 FEET; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND CURVE, EASTERLY, 345.80 FEET, THROUGH A CENTRAL ANGLE OF 07°00'50" AND A CHORD BEARING AND DISTANCE OF N63°01'08"E, 345.58 FEET, TO THE EAST LINE OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 6; THENCE S00°21'50"E, ALONG SAID EAST LINE, 846.09 FEET, TO THE POINT OF BEGINNING.

DOCKET NO. 971621-WS

DATE: July 9, 1998

AND, IN SAID SECTION 7: THAT PORTION OF THE NORTH 1/2 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 7; THENCE N84°23'51"E, 557.94 FEET; THENCE S31°51'04"E, 61.65 FEET, TO THE SOUTH LINE OF THE NORTH 1/2 OF SAID SECTION 7; THENCE S89°47'41"W, ALONG SAID SOUTH LINE, 587.81 FEET, TO THE POINT OF BEGINNING; AND

THE SOUTH 1/2, LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE EAST 1/4 CORNER OF SAID SECTION 7; THENCE S00°21'42"E, ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION, 26.67 FEET; THENCE WEST, 1244.42 FEET; THENCE S57°00'00"W, 486.38 FEET; THENCE N33°00'00"W, 220.08 FEET, TO A TANGENT INTERSECTION WITH A CIRCULAR CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHERLY, ALONG SAID CURVE, 39.27 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF S12°00'00"W, 35.36 FEET, TO THE POINT OF COMPOUND CURVATURE WITH A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 638.26 FEET; THENCE WESTERLY, ALONG SAID CURVE, 157.61 FEET, THROUGH A CENTRAL ANGLE OF 14°08'55" AND A CHORD BEARING AND DISTANCE OF S64°04'28"W, 157.21 FEET; THENCE N31°51'04"W, 238.97 FEET, TO THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION 7; THENCE N89°47'41"E, ALONG SAID NORTH LINE, 2046.91 FEET, TO THE POINT OF BEGINNING;

AND, IN SAID SECTION 8: THE WEST 1/2, LESS AND EXCEPT THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 THEREOF;

AND, IN SAID SECTION 18: THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4; THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD; AND THAT PORTION OF THE NORTH 1/2 OF THE NORTHWEST 1/4 LYING EAST OF THE RAINBOW RIVER;

AND, IN SAID SECTION 19: THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4; AND THAT PORTION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD.