

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Application for certificate)
to provide water & wastewater)
service in Orange County by)
Zellwood Station Co-Op, Inc.)

Docket No. 980307-WS

PREFILED DIRECT TESTIMONY

OF

GERALD C. HARTMAN

On Behalf of Zellwood Station Co-Op, Inc.

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Fla. Bar No. 293326
GRAY, HARRIS & ROBINSON, P.A.
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ACK _____
AFA 1 _____
APP _____
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CTR _____
EAG _____
LEG 2 _____
LIN _____
OPC _____
RCH _____
SEC 1 _____
WAS _____
OTH _____

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DOCKET NO. 98-0307-WS**

3 **ZELLWOOD STATION CO-OP, INC.**

4 **In Re: Application for certificate to provide water**
5 **and wastewater service in Orange County by**
6 **Zellwood Station Co-Op, Inc.**

7
8 **PREFILED DIRECT TESTIMONY OF GERALD C. HARTMAN**

9 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10 **A. My name is Gerald C. Hartman. My business address is**
11 **Hartman & Associates, Inc., Southeast Bank Building,**
12 **Suite 1000, 201 East Pine Street, Orlando, Florida 32801.**

13 **Q. COULD YOU BRIEFLY DESCRIBE YOUR EDUCATIONAL**
14 **BACKGROUND AND YOUR PROFESSIONAL**
15 **QUALIFICATIONS RELATIVE TO THE WATER AND**
16 **WASTEWATER INDUSTRY.**

17 **A. I received my Bachelors of Science degree in Civil**
18 **Engineering from Duke University in 1975 and my Masters**
19 **of Science degree in Environmental Engineering in 1976**
20 **from Duke University. I have published over thirty papers**
21 **on water and wastewater utility systems and have been**
22 **involved in numerous technical training sessions and**
23 **seminars. I have co-authored one book and my second**
24 **book concerning water and wastewater systems is in**

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preparation. I am a registered professional engineer in the States of Florida, Georgia, Maryland, North Carolina, South Carolina, Alabama, Arizona, Mississippi, Pennsylvania and Virginia. I am a Diplomat of the American Academy of Environmental Engineers. I also am a member of and have served as an officer in numerous organizations and associations operating in the water/wastewater industry.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL ENGINEERING EXPERIENCE CONCERNING WATER AND WASTEWATER UTILITIES.

A. I have been the engineer of record for over forty water and wastewater master plans and numerous capital improvement programs. I have been involved in over fifty hydraulic model analyses of water and wastewater systems. In addition, I have been involved in numerous studies and investigations ranging from pilot programs to value engineering investigations. I have performed numerous water process evaluations from simple aeration to reverse osmosis and wastewater process evaluations from secondary treatment to advanced biological nutrient removal systems.

I also have been involved in the design of over \$500 million of water and wastewater facilities in the State of Florida. These designs range from small, single well

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systems to large municipal and investor-owned systems. I have been involved in over \$1 billion in publicly owned water and wastewater financing in Florida. Finally, I have prepared used and useful analyses on over 200 water and wastewater facilities for investor-owned utilities across the State of Florida. A copy of my resume and qualifications are attached to my comments as Exhibit GCH-1.

Q. HAVE YOU TESTIFIED PREVIOUSLY AS AN EXPERT IN THE AREA OF WATER AND WASTEWATER?

A. Yes. I have testified before this Commission as an expert in the areas of water and wastewater utility engineering, rate design, and rate making in a number of cases. I have also testified as an expert in water and wastewater proceedings before County regulatory authorities. I have been accepted by the Florida Division of Administrative Hearings and the Florida courts as an expert in a variety of water and wastewater utility cases for subject areas such as water and wastewater facility design, valuation, rates, rate design, and establishment of service areas.

Q. HAVE YOU PARTICIPATED IN FPSC CERTIFICATION OF SERVICE AREAS?

1 **A. Yes. Specifically, I testified in the East Central Florida**
2 **Services, Inc. case, and participated in the certification of**
3 **Marlborough Woods, Inc., South Hutchison Services, Inc.,**
4 **Schroeder-Manatee Ranches, and many other**
5 **modifications, including both additions and deletions of**
6 **service areas.**

7 **PURPOSE OF TESTIMONY AND EXHIBITS**

8 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

9 **A. I will testify regarding Zellwood Station's ("Zellwood")**
10 **ability to provide reasonable sufficient and effective**
11 **service, operation and maintenance expense levels, not-**
12 **for-profit utilities, rate design philosophy,**
13 **water/wastewater tariffs and sponsor the following**
14 **documents filed with the original certificate application in**
15 **this case: Volume I Application to the Florida Public**
16 **Service Commission ("FPSC") for Original Certificate for**
17 **an Existing System - Requesting Initial Rates and Charges,**
18 **contained in Book 1 of 2 as Exhibits K, O, P, Q, and R, and**
19 **Book 2 of 2, Exhibit Z. These exhibits shall be referred to**
20 **as Exhibits GCH-2, GCH-3, CKL-3, CKL-4, CKL-5, and CKL-**
21 **6, respectively.**

22 **Q. WERE THESE DOCUMENTS PREPARED UNDER YOUR**
23 **SUPERVISION?**

24 **A. Yes, they were.**

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Q. PLEASE EXPLAIN EXHIBIT GCH-2.

A. Exhibit GCH-2 is a statement regarding the financial and technical ability of the applicant to provide reasonable sufficient and efficient service. The applicant, Zellwood Station CO-OP, Inc. has been providing sufficient and efficient service to this community for over 20 years. The applicant's utilities have the capacity to continue to provide efficient and sufficient service to its service area. It is critical that the Florida Public Service Commission ("FPSC") approve the proposed level of water and wastewater revenue requirements, if not the proposed rate design to provide Zellwood with sufficient cash flow to upgrade the system and take care of renewal and replacement activities.

Q. PLEASE EXPLAIN EXHIBIT CKL-3.

A. Exhibit CKL-3 is the pro forma operations and maintenance expense for both water and wastewater. Over the past several years Zellwood Station CO-OP, Inc. has subsidized the utility operations for reasons Mr. Irv Perkins will discuss in his direct testimony. Because of these subsidizes and the fact that the utility must now function, more than ever as a utility, we have requested pro forma expense level adjustments. Mr. Chuck Lewis describes these adjustments in detail in his direct

1 testimony. There is a direct correlation between the pro
2 forma expense adjustments and the pronouncement that
3 St. Johns River Management District made as to making
4 metering a mandatory obligation for Zellwood as part of
5 their consumptive use permit renewal. It costs money, to
6 not only run a utility on a daily, monthly and annual
7 schedule, but it is also expensive to stay in compliance of
8 all the state, local and federal regulations associated with
9 the water and wastewater industry.

10 Q. PLEASE EXPLAIN EXHIBIT CKL-4.

11 A. Exhibit CKL-4 is the test year capital structure. As Mr.
12 Lewis has stated in his prefiled direct testimony, Zellwood
13 is not requesting a rate of return on rate base because its
14 filing this application as a "not-for-profit" utility. Zellwood
15 is requesting in its proposed water and wastewater
16 revenue requirements bare-bone expense levels with no
17 return of or on the Co-op's common equity.

18 Q. PLEASE EXPLAIN EXHIBIT CKL-5.

19 A. Exhibit CKL-5 is the water and wastewater cost of service
20 study that Mr. Lewis used to design rates. Basically Mr.
21 Lewis divided the pro forma water and wastewater
22 revenue requirements by the test year billing determinants
23 to come up with the flat rate and conservation surcharge
24 that we are proposing. I will explain in detail the rate

1 design philosophy used to develop the rates later in my
2 prefiled direct testimony.

3 Q. PLEASE EXPLAIN EXHIBIT GCH-3.

4 A. Exhibit GCH-3 is a statement supporting why the base
5 facility charge and usage rate structure (as defined in
6 Florida Administrative Rule 25-30.437(6)) is not proposed
7 in this application and why as an alternative Zellwood is
8 requesting flat rates (including a flat rate conservation
9 surcharge) on the water side.

10 Q. WHY DID YOU DESIGN FLAT RATES VERSUS THE
11 CONSERVATION ORIENTATED BASE FACILITY CHARGE
12 AND USAGE RATE STRUCTURE?

13 A. Initially I instructed Mr. Lewis to develop water and
14 wastewater rates using the FPSC prescribed base facility
15 charge and usage rate structure. In fact, Mr. Lewis first
16 developed water and wastewater rates that not only
17 included the base facility charge and usage rate concept,
18 but also included a three-tier inclining conservation block
19 usage rate for water. Using those proposed rates we
20 compared a 5/8" residential customers typical bill of 8,000
21 gallons (we were going to request a cap of 8,000 for
22 residential wastewater customers) to that of the current
23 total water and wastewater bill of \$17.50. The monthly
24 combined water and wastewater bill for a 5/8" residential

1 customer using 8,000 gallons would have increased
2 \$39.41 or 225% from that of \$17.50. Currently
3 approximately 50% of the customers are using over 10,000
4 gallons a month and it was felt that for revenue sufficiency
5 to meet the monthly requirements, this level of revenue
6 was necessary in a fixed non-variable fashion.

7 Q. WHAT THEN DID YOU NOT REQUEST THE METERED
8 CONSERVATION RATE DESIGN IN THIS APPLICATION?

9 A. Unfortunately, because of the requirements of Chapter
10 718, F.S. (applicable to condominiums customers),
11 Chapter 723, F.S. (applicable to mobile home parks
12 customers), as well as a variety of leases, master
13 proprietary leases, and other documents, there is an
14 argument that the Co-op is limited in increases for
15 operations costs to its various customer classifications.
16 Because of these concerns, a proposed water rate was
17 designed upon a first block flat rate of \$15.10 (this
18 includes a flat rate of \$9.65 for general revenue
19 requirements and \$5.45 for capital renewal and
20 replacement), and a conservation surcharge of \$5.27 for
21 consumption over 10,000 gallons. The existing rate for
22 water is \$8.50 for unlimited use. Under the new rate, the
23 water revenue requirements were allocated 75-percent to
24 the first block rate and 25-percent to the conservation

1 surcharge. Even though this proposed rate design is
2 based upon the flat rate concept, the flat rate and
3 conservation surcharge increase is based upon the size of
4 a 5/8-inch by 3/4-inch residential meter. Due to the lack of
5 metered customer statistics, an initial second block
6 surcharge of \$5.27/month amounting to approximately
7 33% was felt to be appropriate for customer awareness
8 and education purposes. Many customers do not
9 understand their level of usage at this time.

10 **Q. HAVE YOU REQUESTED ANY PENALTIES, CHECKS, AND**
11 **BALANCES IN THE TARIFF TO "ENCOURAGE"**
12 **CONSERVATION BY THE ZELLWOOD CUSTOMERS?**

13 **A. Yes. The tariff provides for the following penalties,**
14 **checks and balances to "encourage" conservation by the**
15 **customers including:**

- 16 • **A penalty for water wasting of \$30 per month (see**
17 **original sheet no. 12.0),**
- 18 • **Tariff requirement for metering as required by**
19 **Permit,**
- 20 • **Monthly water reading to not only record**
21 **consumption but to check and see who consumes**
22 **more than 10,000 gallons per month (the 10,000**
23 **gallons per month was arrived at by dividing the**
24 **number of units by the allocation under the Permit).**

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- **Water auditing applies, which means that if after a 24-month usage period, the customer is consistently utilizing more than the average usage of 10,000 per month, Zellwood has the right to apply FPSC regulations and increase the ERC factor for that particular unit (see original sheet numbers 12.1 and 13.1). This means that an abusive water user would have to pay in multiples of \$15.10 a month per ERC of usage by that lot owner. An example is if a customer consistently uses 16,000 gallons per month, after the audit period the base rate would increase to \$30.20 per month.**

Q. MR. HARTMAN, DO YOU BELIEVE THAT THESE MEASURES WILL REDUCE CONSUMPTION AND ENCOURAGE CONSERVATION?

A. When all of these tariff provisions plus the conservation surcharge are combined, I believe that the proposed rate package will significantly reduce consumption and encourage conservation. It is the only rate structure that Chuck Lewis and I could design that complies with all other laws applicable to this residential community. If a different type of rate structure is ever going to be utilized in mobile home parks, there will need to be some amendments to at least three Florida statutes.

1 Q. SHOULD A CERTIFICATE OF AUTHORIZATION FOR
2 WATER AND WASTEWATER SERVICE BE ISSUED TO
3 ZELLWOOD? PLEASE EXPLAIN.

4 Y. Yes. Under FPSC rules and statutes, the system should
5 have been certificated long ago by Zellwood's
6 predecessors-in-title. The terms under which Zellwood
7 bought the system contained in the Purchase Agreement
8 with the formerly bankrupt developer require compliance
9 with any applicable FPSC statutes and rules. The
10 organizational structure of Zellwood is such that Zellwood
11 does not qualify for an exemption under Section 367.022,
12 Florida Statutes. Furthermore, the St. Johns River Water
13 Management District Consumptive Use Permit requires the
14 installation of individual meters in the development of
15 conservation rates for the Zellwood water and wastewater
16 system. Without obtaining a certificate of authorization,
17 conservation requirements of the Water Management
18 District cannot be implemented. The Zellwood system is
19 not in duplication of any other water or wastewater
20 system, and will not be in competition with any other
21 system, is consistent with the Orange County
22 Comprehensive Plan, and the issuance of the Certificate
23 of Authorization would be in the public interest. Issuance
24 of a Certificate of Authorization enables all interested

1 parties to have input into the rate making process and is
2 therefore in furtherance of the goals and policies of the
3 legislature as embodied in Chapter 367, Florida Statutes.

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5 Q. ARE YOU FAMILIAR WITH THE FACILITIES CONTAINED IN
6 THE ZELLWOOD WATER AND WASTEWATER SYSTEM?

7 A. Yes, I have inspected both systems and am familiar with
8 the facilities.

9 Q. HAVE YOU DISCUSSED WITH MR. COTO HIS ANALYSIS
10 OF THE FACILITIES?

11 A. Yes, I have, and I am in agreement with Mr. Coto's
12 analysis.

13 Q. WOULD YOU EXPLAIN THE METHODOLOGY USED TO
14 DEVELOP THE USED AND USEFUL PERCENTAGES FOR
15 WATER TRANSMISSION AND DISTRIBUTION,
16 WASTEWATER COLLECTION, TREATMENT AND
17 DISPOSAL.

18 A. Yes. The water transmission, distribution and wastewater
19 collection used and useful percentage of 83.91% was
20 developed by dividing the occupied lots in Zellwood by the
21 total lots in Zellwood or 1,012 lots divided by 1,206 lots.
22 The wastewater treatment and disposal plant used and
23 useful percentage of 59.33 was developed by dividing the
24 average day (0.178 mgd) of the maximum month (March

1 **1996) of the test year by the permitted capacity of (0.300**
2 **mgd). The water treatment plant and wells are 100% used**
3 **and useful base upon the test year usage and the fire flow**
4 **requirements.**

5 **Q. MR. HARTMAN, WHAT METHODOLOGY DID YOU USE TO**
6 **CALCULATE USED AND USEFUL?**

7 **A. The water treatment facilities are one hundred percent**
8 **used and useful as can be observed by reviewing the**
9 **consumption practices of the Zellwood customers. The**
10 **wastewater treatment plant is 59.33% used and useful**
11 **based on the maximum average daily flow of 178,000 gpd**
12 **(which occurred in March of the test year) divided by the**
13 **permitted capacity of 300,000 gpd. The water and**
14 **wastewater "lots used" divided by the total "lots**
15 **available" is 83.91%. The utility is not requesting a**
16 **customer growth adjustment based upon margin of**
17 **reserve because the average customer over the last five**
18 **years is less than 1%.**

19 **Q. DO YOU AGREE WITH MR. LEWIS THAT THE**
20 **WASTEWATER RATE SHOULD BE A FLAT CHARGE,**
21 **RATHER THAN A BASE FACILITY AND GALLONAGE**
22 **CHARGE?**

23 **A. Yes it does not make sense to cause the utility and its**
24 **customers added billing expense to use a base facility**

- 1 charge and gallonage charge per thousand gallons of
2 wastewater treated while you are charging the water side
3 a flat rate with a conservation surcharge. I think its better
4 to keep things as simple as possible as well as the
5 argument that the CO-OP is limited in increases for
6 operations to its various customer classifications.
- 7 Q. HAS THE WATER MANAGEMENT DISTRICT AGREED WITH
8 ZELLWOOD'S APPROACH TO THE INITIAL RATES AND
9 CHARGES?
- 10 A. Yes, they have. As seen in the attached correspondence
11 and as confirmed by telephone conversation this date, the
12 Water Management District has concurred in the initial
13 rate structure under Condition 33 of the Consumptive Use
14 Permit. The applicable correspondence is attached to and
15 incorporated in this pre-filed testimony as Exhibit GCH-4.
- 16 Q. HAVE THERE BEEN ANY INTERVENORS IN THIS CASE?
- 17 A. Yes, Banbury Village has filed an objection. There have
18 also been discussions with staff members at the St. Johns
19 River Water Management District regarding conservation
20 rate compliance as I have previously testified.
- 21 Q. MR. HARTMAN, HAS YOUR FIRM INCURRED RATE CASE
22 EXPENSE?
- 23 A. Yes, we have.
- 24 Q. HAVE OTHER FIRMS INCURRED RATE CASE EXPENSE?

1 **A. Yes, other firms have incurred rate case expense,**
2 **including Excel Engineering, Gray, Harris & Robinson, and**
3 **others.**

4 **Q. HAS THE APPLICANT INCURRED RATE CASE EXPENSE?**

5 **A. Yes, the applicant has also incurred rate case expense.**

6 **Q. DO YOU KNOW AT WHAT LEVELS RATE CASE EXPENSE**
7 **IS ACCUMULATED?**

8 **A. The rate case expense is still accumulating and it is not**
9 **possible to calculate rate case expense at this time. There**
10 **is also the possibility of settlement in this case.**

11 **Q. COULD YOU PLEASE EXPLAIN?**

12 **A. If the intervenor does not settle in this case, the case**
13 **could go to a full hearing, in which case rate case expense**
14 **could increase substantially. If the intervenor settles the**
15 **case, rate case expense should be less than if this matter**
16 **goes to a hearing.**

17 **Q. HAS ZELLWOOD REQUESTED AMORTIZATION OF RATE**
18 **CASE EXPENSE?**

19 **A. Yes, they have requested a 4-year amortization in**
20 **accordance with Commission policy.**

21 **Q. ARE YOU AWARE OF ANY SETTLEMENT EFFORTS IN**
22 **THIS CASE?**

23 **A. Yes, I am. We have been in contact with representatives**
24 **of Banbury Village, and other interested parties to bring**

1 about a settlement in this case. The settlement
2 discussions have resulted in the preparation of a draft
3 Stipulated Agreement which is attached to and
4 incorporated in my pre-filed testimony as Exhibit GCH-5.

5 Q. WOULD EXECUTION OF THIS STIPULATED AGREEMENT
6 BE BENEFICIAL TO ALL PARTIES CONCERNED?

7 A. Yes, it would. Consistent with the St. Johns River Water
8 Management District approval of rate structure, the
9 Stipulated Agreement would incorporate the same 3-year
10 period during which Zellwood would agree not to request
11 or apply for any increase in monthly rates for water or
12 wastewater service that would take effect at any time prior
13 to three years from the date of execution of this Stipulated
14 Agreement, except for appropriate utilization of indexing
15 provisions. This commitment could serve as an initial
16 step in compliance not only with St. Johns River Water
17 Management District CUP Condition No. 33, but would
18 provide additional time to complete the education of the
19 customers regarding conservation of water, provide
20 twelve months to read and record consumption data on a
21 verified basis to substantiate an inverted block rate
22 structure, and then would provide for a future rate filing to
23 the Public Service Commission in which the Public
24 Service Commission, the St. Johns River Water

1 **Management District, and all interested parties would have**
2 **the opportunity for input. The resulting findings and**
3 **ordered rates by the Florida Public Service Commission**
4 **would then be binding upon the Zellwood Water and**
5 **Wastewater System thereafter. By implementing this**
6 **Stipulated Agreement, rate case expense would be less,**
7 **state conservation goals would be advanced, and the**
8 **opportunity will exist for additional data, analysis, and**
9 **input into the development of just, equitable and fair rates**
10 **into the future.**

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 **A. Yes it does.**



GERALD C. HARTMAN, P.E.
PRESIDENT

EDUCATION

B.S., Duke University, 1975
M.S., Duke University, 1976

PROFESSIONAL REGISTRATION

Professional Engineer No. 27703, Florida
Professional Engineer No. 12410, Maryland
Professional Engineer No. 131184, Virginia
Professional Engineer No. 15264, North Carolina
Professional Engineer No. 38216, Pennsylvania
Professional Engineer No. 17597, Georgia
Professional Engineer No. 15389, South Carolina
Professional Engineer No. 19422, Alabama
Professional Engineer No. 28939, Arizona
Professional Engineer No. 12717, Mississippi
Professional Engineer No. 31200, Colorado

PROFESSIONAL AFFILIATIONS

Diplomate - American Academy of
Environmental Engineers

EXPERIENCE

Mr. Hartman's experience exclusively involves utility projects, primarily within the State of Florida.

Utility Finance, Rates, Fees and Charges

Mr. Hartman has been involved in hundreds of capital charge, impact fee, and installation charge studies involving water, wastewater and fire service for various Florida entities. He also has participated in hundreds of user rate adjustment reports. Since 1976, Mr. Hartman assisted in the development of over 50 revenue bond issues, 20 short-term bank loan systems, 2 general obligation bonds, 26 grant/loan programs, 10 capacity sale programs, and 4 privatization programs. He has been involved in over 100 utility acquisition/utility evaluations for acquisition, and is a qualified expert witness with regard to utility rates and utility negotiation, arbitration and condemnation cases. A few of his water, wastewater, reuse and/or solid waste rate and charge projects include:

- Utilities Commission, City of New Smyrna Beach - Water and wastewater Rate Study, 1995.
- Okeechobee Utility Authority - Rate and charge study, 1995.
- Southern States - Statewide rate case, 1995.
- Englewood - AFPI and capital charges, 1995.
- Lee County - Rates and charges, 1995.
- Venice - Reuse rate study, 1994
- Utilities Commission, City of New Smyrna Beach - Capital charge study, 1996.

American Society of Civil Engineers
National Society of Professional Engineers
Florida Engineering Society
American Water Works Association
Florida Pollution Control Association
American Water Resources Association
Water Environment Federation
Florida Water and Pollution Control Operators
Association
Florida Waterworks Association

QUALIFICATIONS SUMMARY

Mr. Hartman is highly qualified in environmental engineering with special expertise in utility management; facility planning; rate charge and fee studies; and funding and grants. Mr. Hartman is a qualified expert witness in the areas of water supply and treatment, wastewater treatment and effluent disposal, rate making, service areas, utility system appraisals, landfill siting, and utility creation/management/acquisition projects.

Gerald C. Hartman, P.E., President (Continued)

- Port St. Lucie - Water, gas and wastewater rates, 1994.
- Port St. Lucie - Capital charge study, 1995.
- Bullhead City - Assessment study, 1996.
- Englewood - Assessment study, 1996.
- Sanibel - Capacity sale study, 1995.
- City of New Port Richey - Rate and charge study, 1995.
- Acme Improvements District, Wellington, Florida - Water/wastewater studies, 1994.
- Charlotte County, Florida - Water/wastewater studies; Rotunda West rate case, 1993.
- Clay County, Florida - Water/wastewater studies, 1992.
- City of Deerfield Beach, Florida - Water/wastewater studies, 1992.
- City of Dunedin, Florida - Water/wastewater studies, 1991.
- Englewood Water District, Florida - Water/wastewater studies, 1993.
- City of Green Cove Springs, Florida - Water/wastewater studies, 1991.
- Hernando County, Florida - Water/wastewater studies, 1992.
- City of Lakeland, Florida - Water studies, 1976-89.
- Martin County, Florida - Water/wastewater studies, 1993.
- City of Naples, Florida - Water/wastewater and solid waste studies, 1992/94.
- City of New Port Richey, Florida - Water/wastewater studies, 1994.
- City of North Port, Florida - Water/wastewater studies, 1992.
- City of Orange City, Florida - Water/wastewater studies, 1985-94.
- City of Palm Bay, Florida - Water/wastewater studies, 1985-94.
- City of Panama City Beach, Florida - Water/wastewater studies, 1993.
- City of Sanibel, Florida - Water and reuse studies, 1988-94.
- Southern States Utilities Inc., Florida - Water/wastewater studies and statewide rate cases, 1991/93.
- City of Tamarac, Florida - Water/wastewater studies, 1993.
- Utilities Commission, City of New Smyrna Beach, Florida - Water/wastewater and reuse studies, 1992/94.
- Volusia County, Florida - Solid waste studies, 1989.
- City of West Palm Beach, Florida - Water/wastewater and reuse studies, 1993/94.
- City of Sebastian, Florida - Water/wastewater studies, 1993.
- City of Tarpon Springs, Florida - Water/wastewater studies, 1994.
- City of Miami Springs, Florida - Water/wastewater and solid waste studies, 1994.
- City of Edgewater, Florida - Water/wastewater and solid waste studies, 1987-90.
- City of Venice, Florida - Reuse studies, 1994.
- City of Port St. Lucie - Water/wastewater studies, 1994.
- Ocean Reef Club, Monroe County, Florida - Wastewater studies, 1994.
- Placid Lakes Utilities Inc., Florida - Water/wastewater studies, 1994.
- Old Overtown-Liberty Park, Birmingham, Alabama - Wastewater studies, 1994.
- Bullhead City, Arizona - Wastewater studies, 1994.
- Lehigh Utilities Inc., Lee County, Florida - Florida Public Service Commission rate cases for water, wastewater and reuse, 1993.
- Marco Island and Marco Shores Utilities Inc., Collier County, Florida - Florida Public Service Commission rate cases for water, wastewater and reuse, 1993.
- Venice Gardens Utilities Inc., Sarasota County, Florida - Rate cases for water, wastewater and reuse, 1989/91/93.
- Mid-Clay and Clay Utilities Inc., Clay County, Florida - Water/wastewater studies, 1993.

EXHIBIT "GCH-1"

Page 2 of 4

Gerald C. Hartman, P.E., President (Continued)

- As well as several expert witness assignments.

Facility Planning

Mr. Hartman has been involved in over 50 water, wastewater and/or solid waste master plans, several interlocal negotiations and agreements, over 100 capital improvement programs, and numerous capital construction fund plans. He represented the American Society of Civil Engineers in the State Comprehensive Plan as a Policy Advisory Committee Member on the utility element, and participated in the preparation of Comprehensive Plans, Chapter 9J5, for more than 20 communities. Mr. Hartman was involved in the implementation of 3 stormwater utilities in Florida.

Analyses

Mr. Hartman has participated in over 50 computer-assisted hydraulic analyses of water and wastewater transmission systems including extended period simulations as well as hydraulic transient analyses. He was involved in 4 wastewater treatment investigations, 2 sludge pilot testing programs, 14 effluent disposal pilot programs and investigations, several energy efficiency analyses, several odor control studies, and other process evaluations for operations. Mr. Hartman participated in 4 value engineering investigations oriented toward obtaining the most cost-effective alternatives for regional and private programs. He has been involved in numerous water blending, trihalomethane, synthetic organic contaminant removal, secondary precipitation, corrosion control, and alum precipitation studies throughout the State of Florida. Mr. Hartman has performed process evaluations for simple aeration facilities, surface water sedimentation facilities, water softening facilities, as well as reverse osmosis facilities. He was involved in water conservation programs, as well as distribution system evaluation programs. He participated in both sanitary sludge management and disposal studies and co-authored the book entitled "Sludge Management and Disposal for the Practicing Engineer." He also participated in numerous lime sludge thickening, management, and utilization/disposal investigations. Mr. Hartman has been involved in wellfield management studies, wellfield protection ordinances, wellfield siting, water resource evaluations, and water resource planning for several entities throughout the State of Florida in sand aquifer, sand and gravel aquifer and limestone aquifer systems.

PUBLICATIONS/PRESENTATIONS

Mr. Hartman has presented several training sessions and seminars throughout the State of Florida for the American Water Works Association, the American Society of Civil Engineers, the Water Pollution Association, and the Florida Water and Pollution Control Operators Association. He has presented and/or published more than 30 papers on water, wastewater and solid waste utility systems including:

Hartman, G.C.; "Determining The Effectiveness of Solid Waste Collection;" M.S. thesis, Duke University, Durham, North Carolina, 1976.

Dajani, J.S., Vesilind, P.A., Hartman, G.C.; "Measuring the Effectiveness of Solid Waste Collection," Urban Analysis, 1977, Vol. 4; Gordon and Breach Science Publishers Ltd.; Great Britain.

Vesilind, P.A., Hartman, G.C., Skene, E.T.; Sludge Management and Disposal for the Practicing Engineer; Lewis Publishers Inc.; Chelsea, Michigan; 1986.

Hartman, G.C., et. al., Resource Recovery Unit Operations, Prentice Hall, 1981.

Hartman, G.C., Utility Management and Finance, (presently under contractual preparation with Lewis Publishing Company/CRC press).

Gerald C. Hartman, P.E., President (Continued)

- Hartman, G.C., and R. J. Ori, " Water and Wastewater Utility Acquisition," AWWA Specialty Conference, 1994.
- Hartman, G.C. and R.C. Copeland, " Utility Acquisitions - Practices, Pitfalls and Management," AWWA Annual Conference, 1995.
- Hartman, G.C., "Safe Drinking Water Act", and "Stormwater Utilities" FLC Annual Meeting, 1995.
- Hartman, G.C., M.A. Rynning, and R.A. Terrero, "5-Year Reserve Capacity - Can Customers Afford the Cost?" FSASCE Annual Meeting, 1996.
- Hartman, G.C., T.A. Cloud, and M.B. Alvarez, "Innovations in Water and Wastewater Technology" Florida Quality Cities, August, 1996.
- Hartman, G.C., Seth Lehman, "Financing Utility Acquisitions" AWWA/WEF Joint Management Conference, February, 1997.
- Hartman, G.C., M.B. Alvarez, and J.R. Voorhees, "Softening for Color Removal" FWRC Conference, April, 1997.
- Hartman, G.C., B.V. Breedlove, "Water: Where It Comes From and Where It Goes" FRT & G/FDEP Conference, September, 1997.
- Hartman, G.C., W.D. Wagner, T.A. Cloud, and R.C. Copeland, "Outsourcing Programs in Seminole County" AWWA/WEF/FPCOA Conference, November, 1997.
- Hartman, G.C., M.B. Alvarez, J.R. Voorhees, and G.L. Basham, "Using Color as an Indicator to Comply with the Proposed D/DBP Rule" AWWA, Water Quality Technology Conference, November, 1997.
- Hartman, G.C., "In-House, Outsourcing and the Non-for-Profit Utilities Option", Florida Government Finance Officers Association (FGFOA) Conference, March 27, 1998.
- Hartman, G.C. and D.P. Dufresne, "Understanding Groundwater Mounds - A Key to Successful Design, Operation and Maintenance of Rapid Infiltration Basins" April 4-7, 1998, FWFA/WET/FPCOA Joint Meeting.
- Hartman, G.C. and Seth Lehman, "Financing Water Utilities - Acquisition and Privatization Projects" AWWA Annual Conference, June 24, 1998.

EXHIBIT K

A statement regarding the financial and technical ability of the applicant to provide reasonable sufficient and efficient service.

The applicant, Zellwood Station Co-op, Inc. has been providing sufficient and efficient service to this community for over 20 years. The applicant's utilities have the capacity to continue to provide efficient and sufficient service to its service area.

EXHIBIT R

If the base facility and usage rate structure (as defined in Rule 25-30.437(6), F.A.C.) is not utilized for metered service, provide an alternative rate structure and a statement supporting why the alternative is appropriate.

The proposed rates and charges have been developed by the consultants and reviewed with the Board of Directors of the Zellwood Station Co-op, Inc. on numerous occasions. The proposed rates and charges have been presented to approximately fifty percent of the customers and residents during ten customer meetings. Each of these meetings were attended by approximately fifty percent of the customers.

Previous rates were based on a flat rate basis of \$17.50 per month for combined water and sewer service. The proposed rates and charges are separated into water and sewer with a conservation block rate provided for the water rate. The utility does not have the administrative hardware or software to provide detailed consumption based rates and charges. The proposed flat rates are the most cost effective for the limited number of customers and resources available to the utility.

GRAY, HARRIS & ROBINSON

J. CHARLES GRAY
GORDON H. HARRIS
RICHARD M. ROBINSON
PHILLIP R. FINCH
PAMELA O. PRICE
JAMES F. PAGE, JR.
WILLIAM A. BOYLES
THOMAS A. CLOUD
BYRD F. MARSHALL, JR.
J. MASON WILLIAMS, III
LEO P. ROCK, JR.
G. ROBERTSON DILG
CHARLES W. SELL
JACK A. KIRSCHENBAUM
RICHARD E. BURKE
GUY S. HAGGARD
FREDERICK W. LEONHARDT
BORRON J. OWEN, JR.
MICHAEL K. WILSON
JEFFREY D. KEINER
PAUL S. QUINN, JR.
DAVID L. SCHICK
JACK K. McMULLEN
SUSAN T. SPRADLEY
MICHAEL E. NEUKAMM
DONALD A. NOHRR
PHILIP F. NOHRR
WILLIAM G. BOLTIN, III
R. LEE BENNETT
TRACY A. MARSHALL
JOHN A. KIRST, JR.
WILBUR E. BREWTON
KENNETH J. PLANTE

PROFESSIONAL ASSOCIATION

ATTORNEYS AT LAW

SUITE 1200
201 EAST PINE STREET
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ORLANDO, FL 32802-3068

TELEPHONE (407) 843-8860

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ROBERT L. BEALS
KIMBERLY NOWORYTA SUNNER
CHRISTOPHER J. COLEMAN
BRUCE M. HARRIS
R. DEAN CANNON, JR.
FRANK A. HAMNER
RICHARD A. RODGERS
KELLY M. FITZGERALD
KELLY BREWTON PLANTE
J. SCOTT SIMS
CATHERINE M. PECK
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MATTHEW S. SMITH
CHRISTINE A. NOWORYTA
W. CHRISTOPHER BROWDER
MARTHA H. MCINTOSH
LISA A. SPECHT
GREGORY W. MEIER

OF COUNSEL
MALCOLM R. KIRSCHENBAUM
SYDNEY L. JACKOWITZ
LILA INGATE MCHENRY

August 27, 1998

Our File No: 40195-2

Via FAX Transmittal - 904/329-4820

Dwight Jenkins, Esquire
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
P.O. Box 1429
Palatka, FL 32177-1429

**Re: Approval of Rate Structure Pursuant to Condition
No. 33 of SJRWMD Consumptive Use Permit No.
2-095-0231NRM2 - Zellwood Station**

Dear Dwight:

This letter constitutes the commitment of Zellwood Station Co-Op, Inc. ("Zellwood") which was made during our phone conversation this morning with Gerald C. Hartman, and is consistent with a proposed draft Stipulated Agreement between Zellwood and Banbury Village previously faxed to you. Condition 33 of CUP Permit No. 2-095-0231NRM2 provides that:

"Prior to submittal of the proposed rate structure to the FPSC, the permittee must submit a copy of the proposed rate structure to the District for review and approval."

We are writing this letter to obtain the District's approval by return letter. Zellwood's commitment is to move forward with the certification proceeding at the Florida Public Service Commission ("FPSC") with a stipulation of all parties and put in place the currently proposed rate structure which will remain in place for three (3) years subject to FPSC indexing.

EXHIBIT "GCH-4"

Page 1 of 3

MELBOURNE
(407) 727-8100

ORLANDO
(407) 843-8860

TALLAHASSEE
(850) 222-7717

Dwight Jenkins, Esquire
Page 2
August 27, 1998

This commitment is an initial step in compliance with Condition No. 33 in the Consumptive Use Permit. We commit and recognize that it will take some time to complete the education of the customer base, another 12-months to read and record consumption on a verified basis to substantiate an inverted-block rate structure including base charge, and an increasing consumption charge within increasing consumption can be calculated. Once calculated, the rate structure will be submitted to the FPSC prior to three (3) years after the date of the execution of the proposed Stipulated Agreement. This rate filing will then be reviewed by the FPSC, SJRWMD, and all interested parties. The resulting findings and ordered rates by the FPSC would then be binding upon Zellwood's water and wastewater system thereafter.

I would appreciate it if you could send me a letter by fax today approving Zellwood's rate structure pursuant to Condition 33 of the CUP.

Sincerely yours,



Thomas A. Cloud, Esquire

GRAY, HARRIS & ROBINSON, P.A.

cc: Tony Cotter, Esquire, via FAX transmittal - 904/329-4125
Mr. Irv Perkins, via FAX transmittal - 886-4711
Julian Coto, P.E., via FAX transmittal - 260-1193
Gerald C. Hartman, P.E.

Henry Dean, Executive Director
John R. Wehle, Assistant Executive Director



POST OFFICE BOX 1429 PALATKA, FLORIDA 32178-1429
TELEPHONE 804-328-4500 SUNCOM 804-880-4500
TDD 804-328-4450 TDD SUNCOM 880-4460
FAX (Executive) 328-4125 (Legal) 328-4485 (Permitting) 328-4315 (Administration/Finance) 328-4500
(Planning and Acquisition) 328-4848

SERVICE CENTERS

618 E. South Street
Orlando, Florida 32801
407-497-4300
TDD 407-897-8888

7775 Boy Meadows Way
Suite 102
Jacksonville, Florida 32256
904-790-8278
TDD 904-448-7800

PERMITTING:
306 East Drive
Melbourne, Florida 32904
407-884-6948
TDD 407-722-1383

OPERATIONS:
2129 N. Wickham Road
Melbourne, Florida 32905-8108
407-752-3100
TDD 407-752-3102

August 27, 1998

Thomas Cloud
P.O. Box 3068
Orlando, FL 32802-3068

RE: Zellwood Station Co-Op, Inc.;
CUP 2-095-0231NRM2

Dear Tom:

I am in receipt of your letter dated January 22, 1998, to Elizabeth Thomas, and your subsequent letter dated August 21, 1998, to Anthony Cotter and me. District staff does not object to the proposed temporary rate structure set forth in your January 22, 1998, letter to Elizabeth Thomas, in order to provide Zellwood Station sufficient time in which to install individual meters and collect necessary water use data to support a permanent conservation rate structure.

It is my understanding that this temporary rate structure is limited to a three year duration. During this time Zellwood Station will develop a District approved conservation rate structure and will initiate a rate case before the FPSC. Prior to initiating the rate case, Zellwood Station must receive District approval of the conservation rate structure. The conservation rate structure will be binding upon Zellwood Station's water and wastewater system thereafter.

Should you have any questions, please contact me or Anthony Cotter.

Sincerely,

Dwight T. Jenkins, Esq., P.G.
Director of Water Use Regulation
Department of Resource Management

DTJ:846

cc: Anthony Cotter
Elizabeth Thomas
James Hollingshead

EXHIBIT "GCH-4"
Page 3 of 3

Den Roach, CHAIRMAN
FERNANDINA BEACH
William M. Segal
MAITLAND

Kathy Chino, VICE CHAIRMAN
PONTE VEDRA
Griffin A. Greene
VERO BEACH

James T. Swann, TREASURER
COCOA
James H. Williams
OCALA

Otis Maron, SECRETARY
ST. AUGUSTINE
Patricia T. Harden
GAINFORD

Reld Hughes
DAYTONA BEACH

STIPULATED AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 1998, by and between ZELLWOOD STATION CO-OP, INC., a not-for-profit Florida corporation (hereafter the "ZELLWOOD"), and BANBURY VILLAGE ASSOCIATION, INC., a Florida not-for-profit corporation (hereafter "BANBURY").

RECITALS

1. On March 2, 1998, ZELLWOOD filed an application for a certificate for an existing system to provide water and wastewater service in Orange County, and requesting initial rates and charges in accordance with Chapter 367, Florida Statutes.
2. BANBURY filed a protest in Florida Public Service Commission ("FPSC") Docket No. 980307-WS, dated March 31, 1998.
3. A hearing was established for March 8 and 9 of 1999, by FPSC Order Establishing Procedure No. PSC-98-0707-P.O.-WS, as modified by FPSC Order No. PSC-98-1004-P.O.-WS, dated July 24, 1998.
4. Representatives of the parties have been working together in good faith since early May of 1998 to resolve their differences, and have now agreed to resolve these differences through stipulations and agreements as set forth below.

ACCORDINGLY, for and in consideration of the Recitals, the mutual undertakings and agreements herein contained and assumed, and other good and valuable considerations received by each party from the other, the receipt and sufficiency of which are acknowledged, the parties do hereby agree as follows:

SECTION 1. RECITALS. The above Recitals are true and correct, and form a material part of this Agreement.

SECTION 2. RESOLUTION OF DISPUTE. It is in the best interest of both parties to resolve their dispute concerning the pending application in FPSC Docket No. 980307-WS. To resolve their dispute, the parties agree as follows:

2.1 ZELLWOOD and BANBURY hereby stipulate to the issuance of the original certificate for the territory depicted and described in Exhibit "1" attached to and incorporated herein,

2.2 ZELLWOOD agrees not to request or apply for any increase in monthly rates for water or wastewater service that would take effect at any time prior to three (3) years from the date of execution of this Stipulated Agreement; provided, however, BANBURY will not object to and ZELLWOOD may seek to utilize if appropriate and reasonable the indexing provisions contained in applicable FPSC statute and rules,

2.3 ZELLWOOD agrees that it shall not seek to implement the charging or collection of any monthly water or wastewater rates until all meters for currently occupied residences have been installed within Zellwood Station, and

2.4 ZELLWOOD agrees that prior to the end of the third year of the 3-year period referenced above, it shall file a new rate case for appropriate, just, fair and equitable rates with the FPSC which provides an opportunity for all interested parties to participate in investigating the appropriateness of the proposed rates.

In return for these commitments, BANBURY hereby agrees and stipulates to the appropriateness of charging the proposed rates during a period of three (3) years from the date of execution of this Stipulated Agreement, and likewise agrees to file a notice of withdrawal of protest in FPSC Docket No. 980307-WS and not object to issuance of the original certificate for water and wastewater service for ZELLWOOD or the implementation of rates as outlined above. BANBURY will file the appropriate pleading to the FPSC acknowledging this Stipulated Agreement and withdrawing its objection and protest. Nothing herein shall be construed to prevent, prohibit, or otherwise act as a waiver of BANBURY's ability to intervene, object, or protest in any future proceedings before the FPSC.

SECTION 3. SPECIFIC PERFORMANCE. The Stipulated Agreement shall be specifically enforceable in accordance with its terms by either party against the other by filing with the Ninth Judicial Circuit Court in and for Orange County, Florida. All provisions of this Agreement will survive any action by the FPSC to approve or modify ZELLWOOD's pending application for certificate and approval of initial rates.

IN WITNESS WHEREOF, the parties hereto have hereunder executed this Agreement on the date and year first above written.

Signed, sealed and delivered
in the presence of:

ZELLWOOD STATION CO-OP, INC.

Attest: _____
Print Name: _____
Title: _____

BY: _____
Print Name: _____
Title: _____

DATE: _____

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF

The foregoing instrument was acknowledged before me this ____ day of _____, 1998, by _____, as _____ of ZELLWOOD STATION

CO-OP, INC., and acknowledged before me that he/she executed the foregoing instrument on behalf of ZELLWOOD.

Signature of Notary Public

AFFIX NOTARY STAMP

(Print Notary Name
My Commission Expires: _____
Commission No.: _____

- Personally known, or
 Produced Identification
Type of Identification Produced

Signed, sealed and delivered
in the presence of:

**BANBURY VILLAGE ASSOCIATION,
INC.**

Attest: _____
Print Name: _____
Title: _____

BY: _____
Print Name: _____
Title: _____

DATE: _____

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF

The foregoing instrument was acknowledged before me this ____ day of _____, 1998, by _____, as _____ of **BANBURY VILLAGE ASSOCIATION, INC.**, and acknowledged before me that he/she executed the foregoing instrument on behalf of **BANBURY**.

Signature of Notary Public

AFFIX NOTARY STAMP

(Print Notary Name
My Commission Expires: _____
Commission No.: _____
 Personally known, or
 Produced Identification
Type of Identification Produced

Thomas A. Cloud, Esq.
Florida Bar No. 293326
GRAY, HARRIS & ROBINSON, P.A.
201 E. Pine Street, Suite 1200
Orlando, FL 32801
(407)843-8880
Attorneys for Zellwood

James E. Olsen, Esquire
Florida Bar No.
CLAYTON & McCULLOH
1065 Maitland Center Commons Blvd.
Maitland, FL 32751
(407) 875-2655
Attorneys for Banbury

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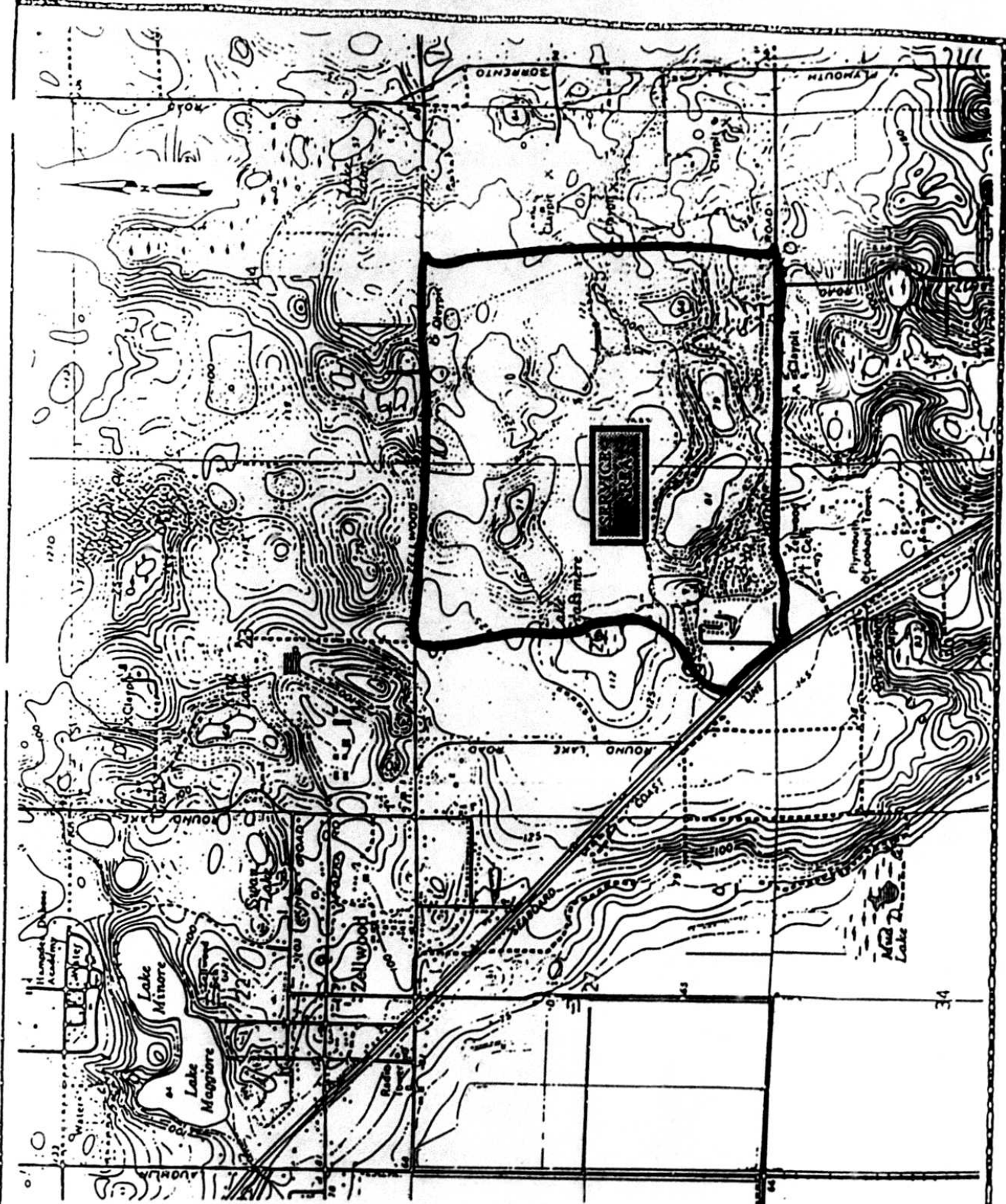


EXHIBIT "GCH-5"
Page 5 of 7

PROJECT:
ZEL96041
SCALE: AS SHOWN
DRAWN: LGF
CHECKED: JRC
DATE: 09/06/96
SHEET 1 of 1

**EXCEL ENGINEERING
CONSULTANTS, INC.**
ENVIRONMENTAL & CIVIL ENG.
FERN PARK, FLORIDA
TELEPHONE: (407) 260-2282
FACSIMILE: (407) 260-1183

**ZELLWOOD STATION
CO-OP, INC.**
ZELLWOOD, FLORIDA
ORANGE COUNTY, FLORIDA

**APOPKA
USGS QUAD**
S25, 26, 35, 36 T27S, R27E
DATE: 1980
SCALE: 1"=2,000'

EXHIBIT T-2

PARCEL 1:

Begin at a point on the West line of Section 25, Township 20, South, Range 27 East, Orange County, Florida, said point being 30.00 feet South of the Northwest corner of said Section 25; thence run North $85^{\circ}44'53''$ East, along the South line of the North 30.00 feet of the West half of said Section 25, 2645.959 feet to a point on the North-South quarter section line, said point being 30.00 feet South of the North quarter corner of said Section 25, thence run North $87^{\circ}35'27''$ East, along the South line of the North 30.00 feet of the East half of said Section 25; 1349.217 feet to a point on the East line of the West three quarters of said Section 25; thence run South $02^{\circ}46'51''$ East, along the East line of the West three-quarters of said Section 25, 5283.769 feet to a point 30.00 feet North of the South line of said Section 25; thence run South $86^{\circ}50'37''$ West, along the North line of the South 30.00 feet of said Section 25, 1322.303 feet to a point on the North-South Quarter section line of said Section 25, said point being 30.00 feet North of the South quarter corner of said Section 25; thence run South $86^{\circ}50'37''$ West along the north line of the South 30.00 feet of said Section 25, 2229.402 feet to a point 430.00 feet East of the West line of said Section 25; thence run North $02^{\circ}58'42''$ West, parallel to the West line of said Section 25, 95.00 feet; thence run South $86^{\circ}50'37''$ West, parallel to the South line of said Section 25, 430.00 feet to a point on the West line of said Section 25; thence run South $02^{\circ}58'42''$ East, along the West line of said Section 25, 95.00 feet to a point 30.00 feet North of the Southwest corner of said Section 25; thence run South $87^{\circ}09'16''$ West, along the north line of the South 30.00 feet of Section 26, Township 20 South, Range 27 East, 2629.027 feet to a point on the North-South quarter Section line of said Section 26, said point being 30.00 feet north of the South Quarter corner of Said Section 26; thence run South $86^{\circ}45'34''$ West, along the North line of the South 30.00 feet of said Section 26, 16.523 feet to a point of intersection with the northerly right of way of State Road 441, said point being on a curve concave southwesterly and having a radius of 5859.65 feet and tangent bearing at said point of North $42^{\circ}14'25''$ West, thence run northwesterly, along said curve and northerly right of way, 588.174 feet through a central angle of $05^{\circ}45'04''$ to the point of tangency of said curve; thence run North $47^{\circ}59'29''$ West, continuing along said northerly right of way, 850.808 feet to a point of intersection with the East line of the West 330.00 feet of the East half of the southwest quarter of said section 26, thence run North $03^{\circ}22'34''$ West along said East line of the West 330.00 feet, 371.027 feet to a point 93.00 feet North of the North line of the southeast quarter of the southwest quarter of said Section 26; thence run North $87^{\circ}07'09''$ East, parallel to the North line of said southeast quarter of the southwest quarter 1003.524 feet to a point of intersection with the North-South quarter section line of said Section 26, thence run North $03^{\circ}27'28''$ West, along the North-South Quarter section line of said Section 26, 3300.103 feet to a point 699.00 feet South of the North quarter corner of said Section 26, thence run North $89^{\circ}49'16''$ East, parallel to the North line of the East half of said Section 26, 788.00 feet, thence run North $03^{\circ}27'28''$ West parallel to the North-South quarter section line of said Section 26, 669.00 feet to a point 30.00 feet South of the North line of the East half of said Section 26, thence run North $89^{\circ}49'16''$ East, along the South line of the North 30.00 feet of the East half of said Section 26, 1894.646 feet to the Point of Beginning.

EXHIBIT T-2

PARCEL 2

A parcel of land lying in the northwest quarter of the northeast quarter of Section 35, Township 20 South, Range 27 East, Orange County, Florida, said parcel being more particularly described as follows: From the northwest corner of the northwest quarter of the northeast quarter of Section 35, Township 20 South, Range 27 East, thence run North 87°09'16" East, along the North line of the northeast quarter of said Section 35, 7.536 feet to a point on the northerly right of way line of State Road No. 441, said point being on a curve concave Southwesterly and having a radius of 5859.65 feet; and a tangent bearing at said point of South 41°51'47" East, thence run Southeasterly, along said curve and Northerly right of way line, 38.510 feet through a central angle of 00°22'36" to a point, said point being on the Southerly right of way line of Yother Road and having a tangent bearing of South 41°29'12" East, said point also being the Point of Beginning, thence run North 87°09'16" East, along said southerly right of way line of Yother Road, 160.332 feet to an intersection with the Northerly right of way line of Merrimac Drive, thence run South 48°51'14" West, along said northerly right of way line of Merrimac Drive, 126.076 feet to a point, said point being on the northerly right of way line of said State Road No. 441 and on a curve with a tangent bearing at said point of North 40°30'54" West, thence run northwesterly, along said curve and northerly right of way line of said State Road No. 441, 99.373 feet through a central angle of 00°58'18" to the Point of Beginning.

PARCEL 3:

From the Northwest Corner of the Northeast 1/4 of Section 35, Township 20 South, Range 27 East, Orange County, Florida, run North 87°09'16" East along the north line of said Northeast 1/4 of Section 35 a distance of 760.52 feet for the Point of Beginning; thence continue North 87°09'16" East along said North line 348.97 feet to a point on a curve concave Southeasterly and having a radius of 585.60 feet; said point also being on the Northwesterly right of way line of Yothers Road, as recorded in O.R. Book 2658, Page 1318, of the Public Records of Orange County, Florida, thence from a tangent bearing of South 55°53'46" West, run Southwesterly along the arc of said curve and said northwesterly right of way line 43.28 feet through a central angle of 04°14'05" to a point of compound curvature of a curve concave southeasterly and having a radius of 526.37 feet; thence run Southerly along the arc of said curve 115.87 feet through a central angle of 12°36'45"; thence leaving said Northwesterly right of way line run North 50°57'04" West 37.04 feet to a point on a curve concave northerly and having a radius of 243.00 feet; thence from a tangent bearing of South 82°04'38" West run Westerly along the arc of said curve 220.63 feet through a central angle of 52°01'15" to a Point of Beginning.