

GRAY, HARRIS & ROBINSON

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MICHAEL J. CANAN

September 11, 1998

Our File No: 40200-6

Via Federal Express, Overnight Delivery

Blanca S. Bayo, Director, Records & Recording
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 980467-WS

Dear Ms. Bayo:

Enclosed herewith for filing is the Notice of Filing Stipulated Agreement, and a Notice of Withdrawal of Protest. Thank you for your assistance in this matter.

Sincerely yours,

Thomas A. Cloud, Esquire

GRAY, HARRIS & ROBINSON, P.A.

- ACK
AFA
APP
CAF
CMU
CTR
EAG
LEG
LIN
OPC
RCH
SEC
WAS
OTH

Enclosures

1 cc: See Notice of Filing Certificate of Service

3

Redemann

MELBOURNE
(407) 727-8100

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TALLAHASSEE
(850) 222-7717
FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE

10027 SEP 14 88

MAIL ROOM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment of)
Certificates Nos. 373-W and 322-S to)
add territory in Marion County by)
Florida Water Services Corporation)
_____)

Docket No. 980467-WS

NOTICE OF FILING STIPULATED AGREEMENT

Intervenor, **MARION COUNTY**, by and through its undersigned attorneys, hereby gives notice of filing a copy of a the executed Stipulated Agreement between the Applicant, Florida Water Services Corporation and Marion County.

Respectfully submitted this 11th day of September, 1998.

By: 

Thomas A. Cloud

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on the following: Original and 7 copies, together with the document on diskette, via overnight delivery to:

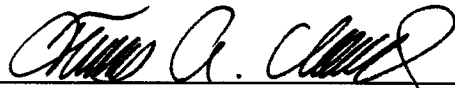
- (1) Blanca S. Bayo, Director
Division of Records and Reporting
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
904/413-6770

With a copy via overnight delivery/hand delivery/U.S. Mail to:

- (2) Jennifer Brubaker, Esquire
FPSC Legal Division
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Counsel for the FPSC

- (3) Joseph M. Hanratty, Esquire
FORMAN, KREHL & LANDT
320 NW 3rd Avenue
Post Office Box 159
Ocala, FL 32678-0159

this 11th day of September, 1998.



Thomas A. Cloud, Esquire
Fla. Bar No. 293326
GRAY, HARRIS & ROBINSON, P.A.
Post Office Box 3068
Orlando, FL 32802-3068
Telephone: (407) 843-8880
Facsimile: (407) 244-5690

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment of)
Certificates Nos. 373-W and 322-S to)
add territory in Marion County by)
Florida Water Services Corporation)
_____)

Docket No. 980467-WS

NOTICE OF WITHDRAWAL OF PROTEST

COMES NOW MARION COUNTY (the "County"), by and through its undersigned counsel and files this Notice of Withdrawal of Protest (this "Notice") in Florida Public Service Commission Docket No. 980467-WS. This withdrawal is based upon execution of the Stipulated Agreement, dated September 11th, 1998.

Respectfully submitted,



Thomas A. Cloud
Fla. Bar No. 293326
GRAY, HARRIS & ROBINSON, P.A.
Post Office Box 3068
Orlando, FL 32802-3068
Telephone: 407/843-8880

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on the following: Original and 7 copies, together with the document on diskette, via overnight delivery to:

- (1) Blanca S. Bayo, Director
Division of Records and Reporting
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

With a copy via overnight delivery/hand delivery/U.S. Mail to:

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Capital Circle Office Center
2540 Shumard Oak Boulevard
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Counsel for the FPSC

- (3) Joseph M. Hanratty, Esquire
FORMAN, KREHL & LANDT
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Telephone: 407/843-8880
Facsimile: 407/244-5690

STIPULATED AGREEMENT

THIS AGREEMENT made and entered into this 18th day of August, 1998, by and between **MARION COUNTY**, a political subdivision of the State of Florida (hereafter the "COUNTY"), and **FLORIDA WATER SERVICES CORPORATION**, a Florida corporation, formerly known as Southern States Utilities, Inc. (hereafter "FWSC").

RECITALS

1. FWSC filed an Application for Amendment of Certificate No. 373-W and 322-S to add water and sewer territory in Marion County, Florida.
2. The COUNTY objected to FWSC's Application.
3. The parties have now agreed to resolve their differences through a territorial settlement and other agreements 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 proposed provision of water and sewer service to various parcels of property within Marion County currently proposed for service by FWSC in PSC Docket No. 980467-WS, and for other parcels of property in the immediate vicinity thereof.

SECTION 3. MODIFICATION OF APPLICATION BY FWSC. Mindful of the cost of continued litigation and other valid considerations, FWSC agrees to modify its application currently pending before the Florida Public Service Commission in Docket NO. 980467-WS in order to remove lands which the parties agree the COUNTY should be allowed to serve in exchange for Marion County agreeing to withdraw their protest in opposition to FWSC's application in Docket No. 980467-WS. FWSC will amend the pending FPSC application for service area amendments to reflect the boundaries as described in Exhibits "1" and "2."

SECTION 4. ALLOCATION OF TERRITORY. FWSC, immediately upon approval of this Agreement by the Marion County Commission, will file an amendment to its application pending before the Florida Public Service Commission to include the lands depicted in Exhibits "1" and "2" hereto within its certificated water and wastewater service areas as FWSC's water and wastewater service areas.

CERTIFIED A TRUE COPY
DAVID R. ELLSPERMANN
BY: William Paul DC

SECTION 5. COUNTY WITHDRAWAL OF PROTEST. Once the amended application referenced above is filed, the COUNTY will file its Notice of Withdrawal of Protest in Public Service Commission docket No. 980467-WS and not object to FWSC's amended application contingent upon revision to that application in conformance with the territory outlined herein and in Exhibits "1" and "2" hereof and contingent upon the executed Stipulated Agreement. COUNTY will send a letter to the FPSC acknowledging in this agreement and withdrawing County's objection.

SECTION 6. SERVICE AREAS. The COUNTY will provide water and wastewater services in the area to the east of FWSC's existing eastern water service territory boundary and as if such boundary extended south to the Lake County border and north to the existing southern border of FWSC's existing water service area as described in Exhibits "1" and "2." FWSC will provide water and wastewater service to the lands shown in FWSC's Amended Application before the PSC, west of the service area to be served by the COUNTY as described in Exhibits "1" and "2" and including an area terminating one mile northwest of State Road 200 to the Citrus County border. FWSC and the COUNTY will agree not to contest the other party's exclusive right to provide service in the areas described in Exhibits "1" and "2" and based upon allegations of ability to serve, the other party's inability to serve or for any other reason; provided, however, the COUNTY's agreement not to contest is limited to the area actually certificated in PSC Docket No. 980467-WS. FWSC will agree not to provide water or wastewater service to lands lying east of I-75 or outside of the eastern border of FWSC's service area, as proposed in Florida Water's pending application, unless by acquisition. The COUNTY will likewise agree to take no action in the future, whether directly or indirectly, to disenfranchise FWSC from the right to provide water and wastewater service to the lands described in Exhibits "1" and "2," including, but not limited to using development permitting, zoning or other power of the COUNTY in a manner which would effectively cause such a result. Nothing contained herein shall be construed to prohibit Florida Water or the COUNTY from acquiring other utilities in Marion County.

SECTION 7. COOPERATION. To the extent the COUNTY or FWSC is unable to provide service to a portion of its territory as evidenced by a written statement directly to the other party of its inability or unwillingness to do so, the parties will cooperate to ensure that water and sewer service is provided by whoever is best able to do so in the quickest and most efficient manner, including through bulk service agreements. FWSC, COUNTY and COUNTY utilities department agree to use best efforts to coordinate activities to best protect environment, health and safety of residents of COUNTY.

SECTION 8. BULK AGREEMENT. The parties shall enter into a bulk wholesale wastewater service agreement which will be submitted for approval by the FPSC. This proposed agreement shall contain provisions consistent with this Section 8. FWSC will provide retail wastewater service to the northeast corner of the new service area. When the OCALA MEADOW WASTEWATER TREATMENT PLANT ("OMWTP") is operational, FWSC will purchase bulk wastewater service from the COUNTY to serve the new service area in the northeast corner at a rate equal to eighty-five percent (85%) of the COUNTY's retail wastewater rate. However, such bulk wastewater rates shall never exceed the

greater of eighty-five percent (85%) of the retail wastewater rate which Florida Water charges to its retail customers or the COUNTY's reasonable costs to provide the wastewater service; provided, however, should the COUNTY rates exceed eighty-five percent (85%) of the said retail wastewater rate then FWSC shall have the option to provide retail wastewater service. Other terms including capital contributions to the COUNTY will provide for reasonable and necessary capital contributions from the retail customers to the COUNTY in accordance with COUNTY rate resolutions and ordinances, with contributions for the cost of designing, permitting, and extending the pipeline north and constructing the pump station not to exceed the actual costs thereof. The COUNTY will own the bulk wastewater line and pump station to be constructed so as to facilitate the COUNTY's provision of wastewater service east of I-75.

SECTION 9. ORDINANCE AMENDMENT. The COUNTY will amend Ordinance No. 98-36 to recognize the service areas set forth in Exhibits "1" and "2." COUNTY will agree that any ordinance requiring mandatory hookup to central water or wastewater facilities that may be adopted by the COUNTY, including enforcement provisions thereof, shall be made applicable to FWSC.

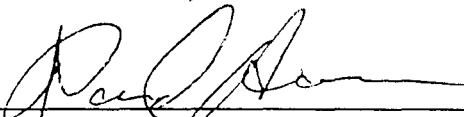
SECTION 10. SPECIFIC PERFORMANCE. The Stipulated Agreement shall be specifically enforceable in accordance with its terms by either party against the other by filing with the Fifth Judicial Circuit Court in and for Marion County, Florida. All provisions of this Agreement will survive any action by the Florida Public Service Commission ("FPSC") to approve or modify FWSC's pending application for amended water and wastewater service areas.

SECTION 11. NO BULK WATER TRANSFERS. FWSC shall not transfer water in bulk beyond the boundaries of COUNTY, nor will they sell water to a wholesaler of water for distribution beyond the boundaries of the COUNTY.

SECTION 12. SIMULTANEOUS SERVICE. In new service areas, FWSC agrees to extend water and sewer service simultaneously if consistent with economic feasibility and the Marion County Comprehensive Plan.

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

MARION COUNTY, FLORIDA

BY: 
County Chairman

DATE: 9-1-98

ATTEST:

BY: [Signature]
David R. Ellspermann, Clerk

STATE OF FLORIDA
COUNTY OF MARION

The foregoing instrument was acknowledged before me this 1st day of September, 1998, by Randy Harris as Chairman of MARION COUNTY, FLORIDA, and acknowledged before me that he/she executed the foregoing instrument on behalf of MARION COUNTY, FLORIDA.



Miriam Pauley
MY COMMISSION # CC688373 EXPIRES
October 29, 2001
BONDED THRU TROY FAIN INSURANCE, INC.

AFFIX NOTARY STAMP

[Signature]
Signature of Notary Public
Miriam Pauley
(Print Notary Name)
My Commission Expires: _____
Commission No.: _____
 Personally known, or
 Produced Identification
Type of Identification Produced _____

FOR THE USE AND RELIANCE
OF MARION COUNTY ONLY.
APPROVED AS TO FORM.

September 9, 1998
[Signature]
Thomas A. Cloud, Utilities Counsel

Signed, sealed and delivered
in the presence of:

**FLORIDA WATER SERVICES
CORPORATION**

Attest: [Signature]
Print Name: Brian P. Armstrong
Title: Vice President & General Counsel

BY: [Signature]
Print Name: John Cirello
Title: President, Chairman & CEO

DATE: August 28, 1998

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 28th day of
August, 1998, by John Cirello, as
President, Chairman & CEO of FLORIDA WATER SERVICES CORPORATION.

OFFICIAL NOTARY SEAL
KIRK D MARTIN
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC561441
MY COMMISSION EXP. JUNE 16,2000

[Signature]

Signature of Notary Public

KIRK D. MARTIN

(Print Notary Name

My Commission Expires: JUNE 16, 2000

Commission No.: CC561441

Personally known, or

Produced Identification



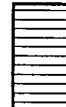
Type of Identification Produced


AFFIX NOTARY STAMP





LEGEND

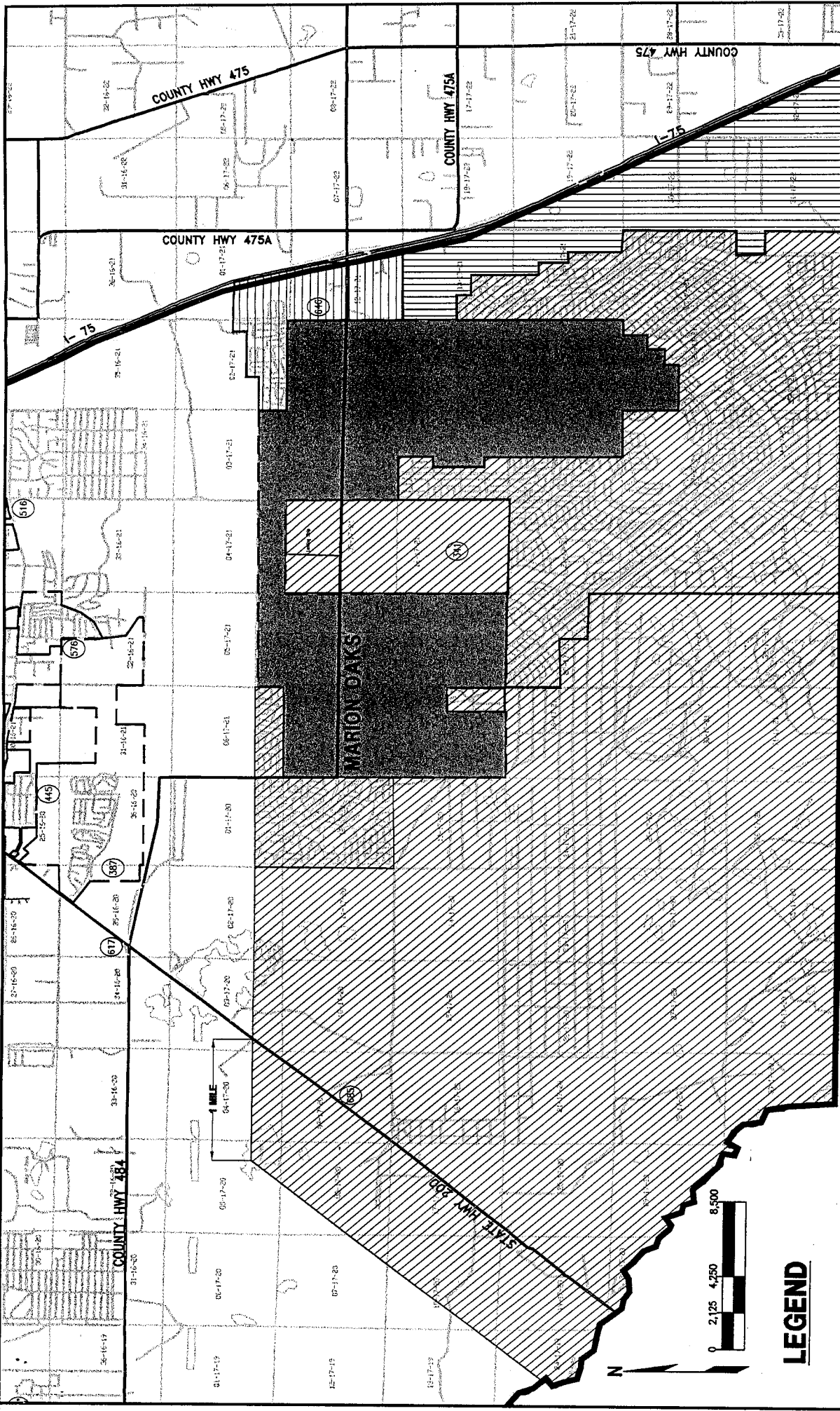
-  EXISTING MARION OAKS WATER SERVICE AREA
-  PROPOSED MARION OAKS WATER SERVICE AREA
-  COUNTY WATER SERVICE AREA


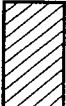
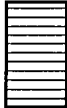
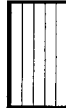


HARTMAN & ASSOCIATES, INC.
 engineers, hydrogeologists, surveyors & management consultants
 201 EAST PINE STREET - SUITE 1000 - ORLANDO, FL 32801
 TELEPHONE (407) 839-3555 - FAX (407) 839-3700

**MARION OAKS EXISTING
AND PROPOSED WATER SERVICE AREA**

95/0307008.CWD



-  EXISTING MARION OAKS WASTEWATER SERVICE AREA
-  PROPOSED MARION OAKS WASTEWATER SERVICE AREA
-  COUNTY WASTEWATER SERVICE AREA
-  PROPOSED MARION OAKS WHOLESALE WASTEWATER SERVICE AREA

LEGEND



HARTMAN & ASSOCIATES, INC.
 engineers, hydrogeologists, surveyors & management consultants
 201 EAST ONE STREET - SUITE 1000 - ORLANDO, FL 32801
 TELEPHONE (407) 839-3555 - FAX (407) 839-3760

**MARION OAKS EXISTING
 AND PROPOSED WASTEWATER SERVICE AREA**