

State of Florida



Public Service Commission

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COMMISSION CLERK

DATE: NOVEMBER 07, 2002
TO: DIRECTOR, DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES (BAYÓ)
FROM: DIVISION OF ECONOMIC REGULATION (RIEGER) SDR
OFFICE OF GENERAL COUNSEL (JAEGER) Nat JDJ 198
RE: DOCKET NO. 001660-SU - APPLICATION FOR AMENDMENT OF CERTIFICATE NO. 361-S TO EXTEND WASTEWATER SERVICE AREA IN HIGHLANDS COUNTY BY HIGHLANDS UTILITIES CORPORATION. COUNTY: HIGHLANDS
AGENDA: NOVEMBER 19, 2002 - REGULAR AGENDA - FINAL AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE
CRITICAL DATES: NONE
SPECIAL INSTRUCTIONS: NONE
FILE NAME AND LOCATION: S:\PSC\ECR\WP\001660.RCM

CASE BACKGROUND

Highland Utilities Corporation (HUC, Highlands, or utility) is a Class B utility which provides wastewater service to approximately 1,411 customers in Highlands County. The utility's 2001 annual report shows an annual operating revenue of \$579,211 and a net operating income of \$32,798. The utility's service area is within a Water Use Caution Area, as designated by the Southwest Florida Water Management District. There are two main service areas: one in the Sebring area and the other in the Lake Placid area.

In 1995, HUC sued the City of Sebring, Florida, over an infringement of its certificated service area. The result of that lawsuit was a settlement agreement establishing exclusive and

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competitive service areas between the two parties. As a result of the lawsuit, HUC learned that it was serving customers outside of its certificated territory. Therefore, it filed this application to amend its certificated service area consistent with the settlement agreement.

Pursuant to Section 367.045, Florida Statutes, on November 2, 2000, the utility applied for an amendment to Wastewater Certificate No. 361-S to add to its certificated territory eight areas presently being served by the utility. The areas include the Sebring Lakeshore Mall with 185 proposed ERCs, the Lake Country Elementary School with 25 proposed ERCs, the Heron's Landing Apartments with 30 ERCs, Placid Arms apartments with 26 ERCs, the Watersedge Subdivision, a residential area with 56 proposed ERCs, the Yesteryears Subdivision with 6 ERCs, the Pines of Lake Huntley Condominiums with 14 ERCs, and a four-connection commercial area with 4 ERCs. Of the potential 346 ERCs, the utility is currently serving 297 ERCs in these areas.

On July 26, 2001, the Town of Lake Placid (the "Town") timely filed an objection to the utility's territory amendment application. The utility's existing and proposed amended territory lies partially within the incorporated area of the Town. In its petition to initiate formal proceedings against the utility's filing, the Town stated that its substantial interests would be affected because it is constructing a wastewater facility. The Town would soon be technically and financially capable of serving territory claimed by HUC. The Town claimed that HUC was not technically and financially able to provide adequate service, and that the residents in the disputed territory might be precluded from obtaining wastewater service at better quality and less cost if the utility's request to amend its certificate was granted. Pursuant to Order No. PSC-01-2187-PCO-SU, issued November 7, 2001, this matter was scheduled for an administrative hearing to be held August 27 and August 28, 2002. The disputed issues were as follows:

- 1) Whether HUC has the technical ability to serve the proposed area.
- 2) Whether HUC has the financial ability to serve the proposed area.

- 3) Whether HUC has existing capacity to serve the proposed area.
- 4) Whether HUC's operation under its proposed territory will be in competition with, or a duplication of, another wastewater system.
- 5) Whether HUC has disclosed all of its existing territories in its application to the PSC.
- 6) Whether HUC is in compliance with the rules and statutes of, and within the jurisdiction of, the PSC.
- 7) Whether it is in the public interest for HUC to serve the proposed area.

On April 17, 2002, the Commission received from the utility a motion to abate the hearing process because the utility and the Town had reached a tentative agreement on who should provide wastewater service to certain areas in Highlands County. However, pending a May 6, 2002, meeting, the Town Council had not yet formally approved the matter. Pursuant to Order No. PSC-02-0566-PCO-SU, issued April 25, 2002, the Commission granted the utility's motion for abatement and effectively suspended the need for the scheduled hearing and related filing dates. However, if the Town Council did not approve the agreement, the controlling dates would remain in effect. If approval was granted, the utility was to notify the Commission and request that the scheduled hearing be cancelled.

On May 29, 2002, HUC filed a settlement agreement between it and the Town. Pending Commission approval, that agreement resolved the Town's objection to the utility's application. As a result, the hearing was cancelled.

This application is being brought to the Commission for consideration of HUC's proposed amendment. Issue 1 addresses a proposed show cause of the utility as to why it should not be fined for serving outside its certificated territory in apparent violation of Section 367.045(2), Florida Statutes. Issue 2 addresses the settlement agreement between the utility and Town of Lake Placid. In addition to the above, this recommendation is also being brought to the Commission for consideration of the utility's

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request for a filing fee refund. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission order Highlands Utilities Corporation to show cause, in writing, within twenty-one days, why it should not be fined an amount up to \$5,000 for each offense as authorized by Section 367.161, Florida Statutes, for serving outside its certificated territory in apparent violation of Section 367.045(2), Florida Statutes?

RECOMMENDATION: No, a show cause proceeding should not be initiated for the above-noted apparent violation. However, the utility should be admonished of the need to comply with all the applicable statutes, Commission rules, and Commission orders, and that fines could be imposed for future violations. (JAEGER, RIEGER)

STAFF ANALYSIS: As stated in the case background, in 1995, Highlands sued the City of Sebring (City) for infringement of the utility's certificated service area. During the course of that lawsuit, Highlands discovered that it was serving outside its certificated territory in apparent violation of Section 367.045(2), Florida Statutes. 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, or any lawful rule or order of the Commission.

Utilities are charged with the knowledge of the Commission's rules and 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 "'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6. 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). Thus, any intentional act, such as the utility's failure to obtain an amended certificate prior to serving additional territory would meet the standard for a "willful violation." Staff has analyzed this apparent violation using the above-noted criteria.

By letter dated January 30, 2001, in reference to the utility serving customers outside its certificated territory, staff requested Highlands to provide "a detailed explanation concerning the utility's rationale for not amending its certificate at the time service was requested and provided to those customers." Highlands responded as follows:

HUC did not amend its certificate at that [sic] time it began serving the few properties in question because they believed they were within their certificated territory. Further, at that time, there were no other wastewater providers in the area to bring to HUC's attention that the properties were not within its certificated service area. It was only when HUC began preparing maps in connection with settling its lawsuit against the City of Sebring that it realized it was serving outside of its service area.

Staff notes that Highlands entered into a Settlement Agreement with the City on February 2, 1999. However, the utility did not file its application to amend its certificate until November 2, 2000. Therefore, there appears to have been a significant delay from the time the utility realized it needed to amend its certificate and the filing for such amendment.

Staff believes that the initial action of serving the customers outside its territory was inadvertent and does not rise to the level warranting the initiation of a show cause proceeding. Also, staff notes that the utility apparently had a difficult time in determining just where it was authorized to serve and which territory it needed to request be added to its certificate. Each of the uncertificated areas the utility is serving is contiguous or in close proximity to its approved service territory.

Therefore, staff recommends that the utility not be made to show cause at this time. However, the utility should be admonished on the need to comply with all the applicable statutes, Commission rules, and Commission orders, and that fines could be imposed for future violations.

ISSUE 2: Should the Commission approve the Settlement Agreement, filed May 29, 2002, between Highlands Utilities Corporation and the Town of Lake Placid?

RECOMMENDATION: Yes. The Commission should approve the Settlement Agreement, filed May 29, 2002, between Highlands Utilities Corporation and the Town of Lake Placid, and the Commission should acknowledge that the Town of Lake Placid has withdrawn its protest. (RIEGER, JAEGER)

STAFF ANALYSIS: As stated in the case background, on July 26, 2001, the Town of Lake Placid timely filed an objection to the utility's territory amendment application. The utility's existing and proposed amended territory lies partially within the incorporated area of the Town. In its petition to initiate formal proceedings against the utility's filing, the Town stated that its substantial interests would be affected because it is constructing a wastewater facility. The Town would soon be technically and financially capable of serving territory claimed by HUC. It claimed that HUC is not technically and financially able to provide adequate service, and that the residents in the disputed territory may be precluded from obtaining wastewater service at better quality and less cost if the utility's request was granted.

The disputed issues of material fact, known to the Town were listed as follows:

- 1) Whether HUC has the technical ability to serve the proposed area.
- 2) Whether HUC has the financial ability to serve the proposed area.
- 3) Whether HUC has existing capacity to serve the proposed area.
- 4) Whether HUC's operation under its proposed territory will be in competition with, or a duplication of, another wastewater system.
- 5) Whether HUC has disclosed all of its existing territories in its application to the PSC.

6) Whether HUC is in compliance with the rules and statutes of, and within the jurisdiction of, the PSC.

7) Whether it is in the public interest for HUC to serve the proposed area.

Pursuant to Order No. PSC-01-2187-PCO-SU, issued November 7, 2001, this matter was scheduled for an administrative hearing to be held August 27 and August 28, 2002.

On April 17, 2002, the Commission received from the utility a motion to abate the hearing process because the utility and the Town had reached a tentative agreement on who should provide wastewater service to certain areas in Highlands County. However, pending a May 6, 2002, meeting, the Town Council had not yet formally approved the matter. Pursuant to PSC-02-0566-PCO-SU, issued April 25, 2002, the Commission granted the utility's motion for abatement and effectively suspended the need for the scheduled hearing and related filing dates. However, the order noted that if the Town Council did not approve the agreement, the controlling dates would remain in effect. If approval was granted the utility was to notify the Commission and request that the scheduled hearing be cancelled.

On May 29, 2002, HUC filed a Settlement Agreement between it and the Town. Pending Commission approval, that agreement resolved the Town's objection to the utility's application. As a result, the hearing was cancelled.

The agreed upon items between the utility and the Town are as follows:

1) HUC will amend its application to delete the following areas:

A. That area north of Lake Clay Drive and East of U.S. Highway 27 (part of the utility's existing territory located within the incorporated municipal limits of the Town). The utility has no customers in this area at the present time. Therefore there will be no negative effect incurred by existing customers as a result of this deletion.

B. That area west of the Commercial strip which abuts U.S. Highway 27 (part of the proposed territory located within the incorporated municipal limits of the Town). This area also has no existing customers served by the utility. Therefore, there will be no negative effect incurred by existing customers as a result of the utility modifying its application to not include this proposed area.

2) When the Town has wastewater collection lines to connect Heron's Landing (part of the proposed territory located within the incorporated municipal limits of the Town), the Town may purchase from HUC the lift Station at Heron's Landing and the force main from the lift station to Lake Clay Drive for a price to be negotiated between the parties.

3) HUC will not object to the Town installing wastewater lines which are adjacent to or across the wastewater lines of HUC.

Staff believes it is in the public interest to approve the Settlement Agreement between the utility and the Town of Lake Placid. The Settlement Agreement is a reasonable resolution of the Town's protest which benefits all participants in this proceeding by alleviating the time and expense of a hearing in this matter. As noted in the Settlement Agreement, "... the parties seek to resolve their dispute without time and expense and uncertainty of litigation." With these deletions and concessions made by the utility, the Town no longer objects to the utility's amended application for amendment of certificated territory.

For the foregoing reasons, staff recommends that the Commission approve the Settlement Agreement, filed May 29, 2002, by HUC. Staff further recommends that the Commission acknowledge the withdrawal of the Town of Lake Placid's protest upon approval of the Settlement Agreement.

ISSUE 3: Should Highlands Utilities Corporation's amended application for amendment of Certificate No. 361-S be granted?

RECOMMENDATION: Yes, Highlands Utilities Corporation's application for an amendment to expand and delete its territory should be granted as described in Attachment A. Highlands Utilities Corporation 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. (RIEGER)

STAFF ANALYSIS: On November 2, 2000, the utility applied for an amendment to Certificate No. 361-S in Highlands County, Florida, in order to add to its certificated territory eight areas presently being served by the utility. The areas include the Sebring Lakeshore Mall with 185 proposed ERCs, the Lake Country Elementary School with 25 proposed ERCs, the Heron's Landing Apartments with 30 ERCs, Placid Arms apartments with 26 ERCs, and the Watersedge Subdivision, a residential area with 56 proposed ERCs, the Yesteryears Subdivision with 6 ERCs, and the Pines of Lake Huntley Condominiums with 14 ERCs, and a four connection commercial area with 4 ERCs. The utility presently serves 297 ERCs of the proposed 346 ERCs. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning applications for amendment of certificate.

This application contained a check in the amount of \$1,000, which at the time of the original application was believed to be the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. However, since the time of the filing the utility has requested a partial refund of the fee due to revised proposed ERC numbers. Details of that matter have been addressed in Issue 4 of this recommendation.

In reference to land ownership, as required by Rule 25-30.036(3)(d), Florida Administrative Code, the applicant has provided evidence that the utility owns the land upon which the existing wastewater treatment plants are located. Furthermore, adequate service territory and system maps and territory descriptions have been provided as prescribed by Rule 25-30.036(3)(e), (f) and (i), Florida Administrative Code. A description of the territory to be amended by the utility is

appended to this recommendation as Attachment A. The amended areas include all eight areas originally proposed by the utility. This includes a new version of the commercial area agreed upon with the Town of Lake Placid. In addition, the proposed deleted area due to the settlement agreement with the Town of Lake Placid, is also included in Attachment A. The area to be deleted was legally noticed by the utility on July 25, 2002. Also, the utility has filed an affidavit consistent with Section 367.045(2)(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. The local planning agency was provided notice of the application and did not file a protest to the amendment. The utility states that its wastewater service to the proposed additional area has been and will continue to be consistent with the water and wastewater section of the local comprehensive plan as approved by the Department of Community Affairs (DCA). DCA has reviewed the proposed territory expansion, found it consistent with the Highlands County Comprehensive Plan, and had no objection to the utility's proposed expansion.

Wastewater service is being provided to the existing customers of the proposed amended areas through three of the utility's four wastewater treatment plants. Since the utility is already serving 297 ERCs of the proposed 346 ERCs, staff has confirmed through the DEP that the daily flows associated with these connections are providing no adverse flow demands that affect the present treatment capability of these facilities. HUC serves these areas through its South Plant with a permitted capacity of 0.060 Million Gallons Per Day (MGD) (presently near capacity with an average daily flow of 0.044 MGD, the utility is not allowing any more line construction to be added to this facility), the Western Plant with a permitted capacity of 0.200 MGD (present average daily flow of 0.131 MGD), and the Clearview Plant with a permitted capacity of 0.035 MGD (present average daily flow of 0.024 MGD). The fourth plant owned by the utility is the Brunner Plant with a permitted capacity of 0.015 MGD (present average daily flow of 0.006 MGD). Due to its location, the Brunner plant does not receive any flows from the proposed amended areas. These facilities use a secondary treatment, activated sludge process known as extended aeration and

employ percolation ponds for effluent disposal. There are presently no plans to upgrade any of the plants to provide reuse.

With respect to financial ability, the utility's 2001 annual report showed a net operating income of \$32,798. The comparative balance sheet showed total assets which include cash, plant, and other receivables to be \$1,094,013. Considering the current and accrued liabilities of \$853,637, the net assets of this utility are \$240,376. HUC also stated the amendment would have no material impact on its capital structure, since it is already serving the area.

With respect to technical ability, the application states that the utility has the technical ability to render reasonably safe, sufficient, adequate, and efficient service to the territory. To show that expert personnel are available to provide the technical ability, the utility supplied a list of the four operators employed by the utility, which included DEP certification levels and identification numbers. At the time of the application filing, the utility indicated that the above mentioned facilities have no current outstanding notices of violation issued from the DEP. However, staff has learned through a October 28, 2002, conversation with DEP that the utility has not fully complied with an August 16, 2002, warning letter to the utility concerning plant deficiencies. The warning letter addressed concerns at the utility's South Plant. The violations included spilled sludge on the plant grounds, the percolation ponds heavily overgrown with vegetation, and leaks in an air line. In an August 30, 2002, written response, the utility addressed DEP's concerns by indicating that these problems have been, or will soon be corrected. The DEP is currently reviewing the situation, and will be contacting the utility concerning non-compliance with its warning letter. Since there are presently no complaints against this utility of any kind on file at the Commission, and it appears that the utility is cooperating with the agency of primacy in this matter, staff believes that the Commission's role in the above-mentioned matter should focus on coordinating with the DEP to affirm that compliance is achieved by the utility.

Concerning its system which serves the Lake Placid area, the utility has acknowledged that because of a plant capacity situation requests for service have been denied. These applicants are currently on septic tanks, and are not part of an existing

collection system which has already received service availability allocations from the utility. The utility has expressed no plans to expand plant capacity to accommodate those who have been previously denied service. However, it has deleted some territory and agreed to give the Town the right to serve the 30 ERCs in Herons Landing when the Town is able to provide such service. As the Town of Lake Placid develops its sewer system and goes into the areas that were identified in the settlement agreement discussed in Issue 2, than capacity at HUC's Lake Placid area treatment plant may be "freed up" and HUC will be better able to serve within its certificated area. Staff notes that this application to amend its certificate is not so much to give HUC new customers in the future, but to recognize the customers that it is currently serving. Moreover, HUC states that it does not intend to expand its service in the Lake Placid area.

Pursuant to Chapter 367.111(1), Florida Statutes, the utility shall provide service to its certificated area within a reasonable time. If the Commission finds that the utility has failed to provide service to any reasonably entitled person, it may delete that area not properly serviced by the utility. Staff believes that the settlement agreement should be given time to see if it has the desired effect to enhance service availability for this area. Therefore, no adjustment is recommended at this time.

The utility has filed revised tariff sheets incorporating the additional territory into its tariff. It stated in the application that there will be no material impact on the current monthly rates. The utility's current monthly service rates were approved by the Commission in an administrative price index proceeding effective September 9, 2002. The utility's last general rate case was in Docket No. 930152-SU, resulting in Order No. PSC-94-1234-FOF-SU issued October 11, 1994. Service availability charges were discontinued by the above-mentioned order. Staff recommends the rates and charges approved by the Commission be applied to customers in the new service territory.

Based on the above information, staff believes that there is a need for service, and that the utility has demonstrated the financial and technical expertise necessary to provide service to these customers. Therefore, it is recommended that Highlands' application for amendment of Wastewater Certificate No. 361-S, as described in Attachment A, should be granted pursuant to Section

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367.045, Florida Statutes. The utility should charge the customers in the territory added herein the rates and charges contained in the present tariff until authorized to change by this Commission in a subsequent proceeding. The utility has filed revised tariff sheets incorporating the additional territory into its tariff and returned its certificate for entry reflecting the additional territory.

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ISSUE 4: Should Highlands Utilities Corporation's request for a filing fee refund in the amount of \$500 be granted?

RECOMMENDATION: Yes, Highlands Utilities Corporation's request for a filing fee refund should be granted. The utility should be allowed to submit an Application For Refund to the State of Florida Office of the Comptroller, requesting a refund of \$500. (RIEGER)

STAFF ANALYSIS: Pursuant to Rule 25-30.020(2)(b), Florida Administrative Code, the utility submitted a \$1,000 filing fee attached with its amendment application. The application indicated that the extension will serve less than 2,000 ERCs. The appropriate filing fee for an amendment application where the proposed amended area serves from 501 to 2,000 ERCs, is \$1,000.

In a December 4, 2000 letter to the utility, staff requested that the utility provide a breakdown by customer type. The utility responded by providing an itemized connection listing with a total proposed ERC number of 316. That number has since been revised upward to 346 ERCs. Using this revised number, the appropriate filing fee for an amendment application to serve from 201 to 500 ERCs, is \$500. Realizing that the filing fee was overpaid, the utility requested in a March 30, 2001 letter, a refund of \$500 of the original \$1,000 submitted with the application.

Staff believes that the request should be granted since it appears that the filing fee has been overpaid by HUC. Although the number of potential ERCs affected in the area proposed to be deleted are unknown, it is unlikely the combined number of ERCs would require a higher fee. Therefore, the utility should be allowed to submit an Application For Refund to the State of Florida Office of the Comptroller, requesting a refund of \$500.

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ISSUE 5: Should this docket be closed?

RECOMMENDATION: Yes, if staff's recommendations in Issues 1, 2, 3, and 4, are approved, no further action is required and the docket should be closed. (JAEGER, RIEGER)

STAFF ANALYSIS: If staff's recommendations in Issues 1, 2, 3, and 4, are approved, no further action is required and the docket should be closed.

HIGHLANDS UTILITIES CORPORATION
ADDITIONAL WASTEWATER SERVICE AREA
TERRITORY DESCRIPTION
HIGHLANDS COUNTY

Section 26, Township 34 South, Range 28 East
(Lakeshore Mall Parcel)

All of Lakeshore Mall Subdivision described as: That portion of the Southeast 1/4 of Section 26, Township 34 South, Range 28 East, lying west of the right of way U.S. Highway 27 (State Road 25)

Less: The Southerly 440 feet of the Southeast 1/4 of Section 26, Township 34 South, Range 28 East

Less: The North 410.35 feet of the South 850.74 feet of the East 498.23 of the Southeast 1/4 of Section 26, Township 34 South, Range 28 East, lying westerly of the right of way of U.S. Highway 27 (State Road 25)

Less: The South 215 feet of the of the North 410 feet in the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 26, Township 34 South, Range 28 East, lying westerly of the right of way of U.S. Highway 27 (State Road 25)

Less: The North 195 feet in the North 1/2 of the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 26, Township 34 South, Range 28 East, lying westerly of the right of way of U.S. Highway 27 (State Road 25)

Section 9, Township 37 South, Range 30 East
(Highlands County School Board Parcel)

The portion lying northerly of the County Road 29 Right of Way of the East 650 feet of the South 1247 feet of the East 1485.7 feet of the South 1875 feet of the West 1/2 of Section 9, Township 37 South, Range 30 East.

Section 6, Township 37 South, Range 30 East
(Placid Arms Parcel)

The East 734.42 feet of the South 1/2 of the South 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 6, Township 37 South, Range 30 East, less 25 feet for right of way on the South side.

(Watersedge and Roberts Grove Parcel)

That portion of the Watersedge Subdivision which lies in the Northeast 1/4 of the Northeast 1/4 of Section 6, Township 37 South, Range 30 East, more particularly described as follows: The North 860 feet of the Northeast 1/4 of the Northeast 1/4 of Section 6, Township 37 South, Range 30 East, all East of Lake Saddlebags. And the East 1/2 of the East 1/2 of the Northeast 1/4 of the Northwest 1/4 of Section 6, Township 37 South, Range 30 East.

Section 31, Township 36 South, Range 30 East

(Watersedge, Yesteryears, The Pines of Lake Huntley Condo)

The South 2,050 feet of the East 1/2 of the East 1/2 all lying South of County Road 621 of Section 31, Township 36 South, Range 30 East.

(Heron's Landing Parcel)

The West 640 feet of the South 420 feet of the Southeast 1/4 of the Northwest 1/4 of Section 31, Township 36 South, Range 30 East; AND The west 640 feet of the North 130 feet of the Northeast 1/4 of the Southwest 1/4 of Section 31, Township 36 South, Range 30 East
Less: Road right of ways on the north and west sides
Less: The North 340 feet of the South 385 feet of the East 430 feet of the West 455 feet of the Southeast 1/4 of the Northwest 1/4 of Section 31, Township 36 South, Range 30 East.

Section 32, Township 36 South, Range 30 East

(Yesteryears Parcel)

The South 1,150 feet of the West 300 feet of the Southwest 1/4 of Section 31, Township 36 South, Range 30 East, all North of Lake Huntley.

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DELETED WASTEWATER SERVICE AREA

TERRITORY DESCRIPTION

HIGHLANDS COUNTY

Section 31, Township 36 South, Range 30 East

The West 1/2 of the East 1/2 which lies north of Lake Clay Drive in Township 36 South, Range 30 East, Section 31.