

ORIGINAL
MEMORANDUM

VIA HAND DELIVERY

TO: Ms. Blanco Bayo
Commission Clerk

FROM: Deana Russ *Deana*
Assistant to Wayne Schiefelbein
Of Counsel

RE: Florida Public Utilities Company
Docket No. 030305

DATE: April 8, 2003

The following pages should be filed and added to the Joint Application for Transfer of Facilities to Governmental Authority, in the above-referenced docket, which was filed with the PSC on April 1, 2003.

If you have any questions, please give me a call.

/dcr
Enclosures

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EXHIBIT A

DOCUMENT NUMBER-DATE

03276 APR-88

FPSC-COMMISSION CLERK



City of Fernandina Beach

OFFICE OF THE CITY CLERK

CERTIFICATE

STATE OF FLORIDA)
COUNTY OF NASSAU)
CITY OF FERNANDINA BEACH)

I, CASSANDRA P. MITCHELL, City Clerk of the City of Fernandina Beach, Florida, do hereby certify that the attached is a true and correct copy of:

Resolution Number 2002-165 as adopted by the City Commission of the City of Fernandina Beach, Florida at its Regular Meeting of December 3, 2002.

IN WITNESS WHEREOF, I hereunto set my hand and affix the Seal of the City of Fernandina Beach, Florida, this 20th day of March, A.D., 2003.



Cassandra P. Mitchell
City Clerk
City of Fernandina Beach, Florida

RESOLUTION NO. 2002-165

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, HOLDING A PUBLIC HEARING AS REQUIRED BY 180.301 FLORIDA STATUTES, MAKING A DETERMINATION THAT THE PROPOSED PURCHASE IS IN THE PUBLIC INTEREST; AUTHORIZING THE EXECUTION OF THE CONTRACT BETWEEN FLORIDA PUBLIC UTILITIES COMPANY, A FLORIDA CORPORATION AND THE CITY OF FERNANDINA BEACH FOR THE PURCHASE AND SALE OF WATER ASSETS; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE SAME SUBJECT TO FINAL LEGAL REVIEW, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission authorized the City Manager to gather information regarding the purchase of Florida Public Utilities Company's water assets; and

WHEREAS, the City Manager, the City's authorized consultant, and representatives of FPUC have meet regarding the terms and conditions of a proposed transaction; and

WHEREAS, pursuant to Florida Statute 180.301, a public hearing is required, and the governing body must take public input and make a determination that the proposed acquisition is in the public interest; and

WHEREAS, said public hearing has been properly advertised in the Fernandina Beach News Leader, a newspaper of general circulation in the area; and

WHEREAS, Florida Public Utilities has presented a contract for the purchase and sale of the water assets at a sale price of eighteen million nine hundred fifty thousand dollars (\$18,950,000), and other terms and conditions set forth therein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, that:

SECTION 1. In accordance with the requirements of Florida Statute 180.301, a public hearing has been duly noticed.

SECTION 2. The City Commission has considered the factors required by statute, including but not limited to:

- a. The most recent available income and expense statement for the utility;
- b. The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amounts of contributions in aid of construction and the accumulated depreciation thereon;
- c. A statement of the existing rate base of the utility for regulatory purposes;
- d. The physical condition of the utility facilities being purchased;
- e. The reasonableness of the purchase contract price and terms;
- f. The impacts of the purchase on utility customers, both positive and negative;

g. Any additional investment required, and the ability and willingness of the purchaser to make that investment;

h. Alternatives to the purchase, and the potential impact on utility customers if the purchase is not made;

i. The ability of the purchaser to maintain high quality and cost efficient utility service;

j. Any and all other relevant issues.

SECTION 3. Based upon the above, the City Commission hereby approves the Contract with Florida Public Utilities Company (FPUC) for the purchase and sale of water assets, contingent upon the final review and approval by the City Attorney. The Mayor and City Clerk are further authorized to execute any and all documents as may be necessary to close the acquisition of Florida Public Utilities Company, Fernandina Beach Water Division.


SECTION 4. The City Commission hereby authorizes the Mayor and the City Clerk to execute the Contract, and any and all closing documents required, on behalf of the City, contingent upon the final review and approval by the City Attorney.

SECTION 5. This action is being undertaken in lieu of the initiation of condemnation proceedings by the city, and under threat of condemnation by the city of the assets of Florida Public Utilities Company, Fernandina Beach Water Division.

SECTION 6. This Resolution shall become effective immediately upon passage.

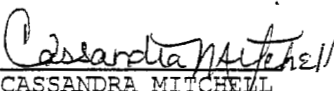
ADOPTED this 3rd day of December, 2002 with a quorum present and voting.

CITY OF FERNANDINA BEACH



 JOE GERRITY
 Commissioner-Mayor

ATTEST:



 CASSANDRA MITCHELL
 City Clerk

EXHIBIT B

**AGREEMENT FOR PURCHASE AND SALE OF
WATER ASSETS**

By and Between

FLORIDA PUBLIC UTILITIES COMPANY

Seller

and

CITY OF FERNANDINA BEACH

Purchaser

December 3, 2002

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