

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

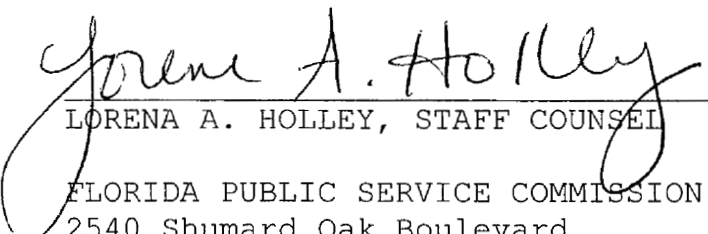
In re: Application for rate  
increase in Marion, Orange,  
Pasco, Pinellas, and Seminole  
Counties by Utilities, Inc. of  
Florida.

DOCKET NO. 020071-WS

FILED:

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Late Filed Exhibit No. 1 to Deposition of Francis J. Lingo. has been furnished to **Stephen C. Burgess, Associate Public Counsel**, Office of Public Counsel, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400, **Martin S. Friedman, Esquire**, Rose, Sundstrom & Bentley, LLP, 600 S. North Lake Boulevard, Suite 160, Altamonte Springs, Florida 32701, by hand delivery, this 4th day of August, 2003.

  
LORENA A. HOLLEY, STAFF COUNSEL

FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850  
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MEMORANDUM OF UNDERSTANDING  
FLORIDA WATER MANAGEMENT DISTRICTS  
AND  
FLORIDA PUBLIC SERVICE COMMISSION

RECEIVED

JUL 16 1991

Florida Public Service Commission  
Department of Water and Sewer

This Memorandum of Understanding (MOU) entered into on June 27, 1991, between "the parties" the Northwest Florida Water Management District, the South Florida Water Management District, the Southwest Florida Water Management District, the St. Johns River Water Management District and the Suwannee River Water Management District (collectively, the Florida Water Management Districts (FWMDs)) and the Florida Public Service Commission (FPSC).

WITNESSETH THAT

WHEREAS, the FWMDs are agencies of the State of Florida, created by the Florida Legislature and given those powers and responsibilities enumerated in Chapter 373, Florida Statutes; and

WHEREAS, the FWMDs are empowered to enter into contracts with public agencies, private corporations or other persons, pursuant to Section 373.083 Florida Statutes; and

WHEREAS, the parties recognize that it is in the public interest that they engage in a joint goal to ensure the efficient and conservative utilization of water resources in Florida; and

WHEREAS, the parties recognize that a joint cooperative effort is necessary to implement an effective, state-wide water conservation policy;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, it is agreed as follows:

1. The common objectives, as they relate to public water systems, are as follows:

- A. To monitor water systems to assure that safe and reliable water supplies are being maintained in accordance with water use permitting criteria.
- B. To identify possible water supply alternatives necessary to provide reliable future water supplies.
- C. To foster conservation and the reduction of withdrawal demand of ground and surface water through, among other measures, employment of conservation promoting rate structures, through maximization of reuse of reclaimed water, and through consumer education programs.
- D. To assure that system improvement projects necessary to meet water use goals and objectives are selected on the basis of priority and only after reasonable alternatives have been defined and feasibility analyses have been performed to arrive at a cost-effective, environmentally sound solution.
- E. To effectively employ the technical expertise of

the FWMDs regarding water source development and water resource management and the FPSC expertise in the economic regulation of utilities for the promotion of efficient water consumption in the public interest.

F. To encourage use of reclaimed water and recharge to appropriate aquifers.

G. To cooperatively participate in review and implementation of alternative water source development and FPSC rate case procedures related thereto.

2. The parties agree that their staffs shall abide by the following principles:

A. To the extent their resources permit and to the extent such information is available, FWMDs shall be responsible for evaluating and monitoring water withdrawal rates and for identifying and requiring the various potential improvements necessary to provide proper resource management. The FWMDs will recommend preferred solutions in this regard. The FPSC shall be responsible for making recommendations on the economic, financial and rate making aspects associated with implementing the improvements identified by the FWMDs to provide efficient use of water resources. This may include, but not be limited to, expert witness

testimony.

- B. The staffs of the FWMDs and the FPSC shall endeavor to keep each other fully informed of their respective activities and to assist each agency in carrying out its responsibilities.
- C. The agencies shall exchange pertinent information available regarding water systems that are experiencing water availability problems. This information should include, but not be limited to:
  - 1. Communications with utilities
  - 2. Orders
  - 3. Decisions
  - 4. Regulations and Policies
  - 5. Proposed new water systems
  - 6. Permits
  - 7. Funding assistance
  - 8. Reports and/or investigations
- D. The FPSC will notify the applicable FWMDs of all pertinent requests for certificates, amendments, and rate increases from regulated water systems and shall routinely provide the FWMDs with schedules of FPSC or Division of Administrative Hearings (DOAH) hearings concerning water matters. The FWMDs will provide technical input to the FPSC as necessary and appropriate in the FPSC proceedings. This may include, but not be limited to, testimony from

expert witnesses.

E. Identified system improvements necessary to provide safe and reliable water supplies should consider, but not be limited to:

1. Protection of water sources
2. Short and long term benefits
3. Cost effectiveness
4. Cost to customers

F. The "parties shall endeavor to provide appropriate technical assistance in necessary enforcement actions taken against individual water systems for water conservation and reuse.

3. It is mutually understood that the intent of this MOU is to identify the separate and distinct responsibilities of the FWMDs and the FPSC. The following represents a general description of the roles and responsibilities of each of the respective agencies relating to water and sewer service providers. The "parties" agree to adopt and implement internal policies and procedures necessary to administer its respective duties. The parties recognize that the FPSC's jurisdiction is limited to investor-owned utilities and is effective in some of the counties in Florida. The PSC staff will offer assistance to the extent provided by law and agency workload. These policies and procedures shall be coordinated between the parties.

A. The FWMDs shall be responsible for the following:

1. Evaluation of public water supply needs to

determine reasonable demands and identify future deficiencies.

2. Identification of alternative water sources necessary to meet reasonable demands, including conservation, and recommendation of the preferred solutions.
3. Evaluation of water resource availability.
4. Participation at appropriate FPSC public meetings with customers and at evidentiary hearings where water use planning or permitting matters raised by the FWMDs or any other person are to be discussed.

B. The FPSC shall be responsible for:

1. Provision of feasibility analyses of the financial impacts, if any, of system improvement projects associated with water use planning or permitting requirements on both the customers and the water and wastewater companies.
2. Determination of the type of rate relief needed to recover costs necessary for system improvement projects associated with water use planning or permitting requirements.
3. Arrange for joint public meetings with customers to ensure that customers are made aware of the need for system improvement projects and the potential impacts the projects will have on service rates.
4. Promptly inform the FWMDs of the FPSC public

meetings with customers where water use planning or permitting criteria will be discussed so that the FWMDs may prepare for participation in the process.

5. Participate in appropriate FWMDs evidentiary proceedings where the economic impact of water source alternatives, permit conditions, and rate structure matters are discussed.

6. Provide assistance in review of water conservation rate structures.

4. The FWMDs and the FPSC will designate project managers for their respective agencies when water supply problems exist and an improvement project is deemed necessary by either the FWMDs or the FPSC. The project managers will be the principal contact persons for the "parties" on a particular project.

5. Whenever a potential conflict regarding a specific project is identified, the "parties" will examine the alternative solutions available and then meet to thoroughly discuss the issues involved and attempt to reach an agreement before announcing a position. If an agreement cannot be reached after due deliberations, separate positions may be advocated. Such disagreements, if any, will not obviate this MOU.

6. There should be a complete exchange of information between the FWMDs and the FPSC through the designated project managers. The "parties" shall set forth where and to whom material should be sent. Copies of pertinent correspondence between an agency and other parties concerning a water improvement project



shall be sent to the project manager of each party until project completion.

7. The designated representative of each FWMDs and the Director of the Water and Sewer Divison of the FPSC, with designated members of their staffs, shall meet as necessary, but at least semi-annually, to review progress of the water management programs in Florida and resolve any issues which have been identified by the staffs.

8. This MOU may be amended by mutual agreement of the FWMDs and the FPSC. Any party may terminate its participation in this Memorandum of Understanding by providing 180 days written notice to all other parties.

The parties or their duly authorized representatives hereby execute this agreement on the date first written above.

Approved:

Northwest Florida  
Water Management District

By: Walter D. Damm  
Executive Director

Date: 7/1/91

Approved:

South Florida  
Water Management District

By: Timothy E. Powers  
INTERIM Executive Director

Date: 7/8/91

Approved:

Southwest Florida  
Water Management District

By: Frank G. Ahlman  
Executive Director

Date: 7/2/91

Approved:

St. Johns River  
Water Management District

By: Ray Orr  
Executive Director

Date: 7/12/91

Approved:

Suwannee River  
Water Management District

By: [Signature]  
Executive Director

Date: 7/18/91

Approved:

Florida Public Service  
Commission

By: David Swartz  
Executive Director

Date: June 27, 1991