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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Forest Hills Utilities, Inc. for limited proceeding increase in wastewater rates.

Docket No. 961475-WS

APPLICATION FOR LIMITED PROCEEDING INCREASE IN WASTEWATER RATES

Applicant, Forest Hills Utilities, Inc. (hereinafter "Forest Hills" or "Applicant"), pursuant to Sections 367.0822 and 367.081(1)(a) and (3), Florida Statutes, files this Application for limited proceeding increase in rates for wastewater service provided to the public in Pasco County, Florida, based upon the Florida Department of Environmental Protection's required interconnection of Forest Hills' system to Pasco County's wastewater treatment facilities and the resulting increase in cost of sewage operations. Applicant is a Class B wastewater utility as defined by Rule 25-30.115(1), Florida Administrative Code ("F.A.C."). Its 1995 historical test year revenues totalled \$210,688.

I.

ACK [checked] The following information is provided in accordance with the requirements of Rule 25-22.036(7), F.A.C.:
APP (a) The name and address of the applicant is: Forest Hills Utilities, Inc. 1518 U.S. Highway 19 Holiday, Florida 34691
CAF (b) Applicant's interest: Applicant is a wastewater utility as defined by Section 367.021(12), Florida Statutes, and is not exempt from regulation by the Commission pursuant to Section 367.022, Florida Statute. Except as provided in Section 367.022, Florida Statute...

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Statutes, Applicant's rates and charges may not be changed without approval of the Commission.

Forest Hills began operations in 1967. In recent years, problems with the Applicant's sewage treatment facilities have grown to a point to require discussions with the Florida Department of Environmental Protection to find solutions to allow continued wastewater treatment services. Forest Hills has now entered into a Stipulated Settlement Agreement with the Florida Department of Environmental Protection which requires the Applicant to interconnect its wastewater system with the Pasco County wastewater treatment facilities and receive bulk service from Pasco County from this point forward. The wastewater treatment facilities of Forest Hills are then required to be taken off-line and no longer used for the purpose of treating domestic wastewater. A copy of the Stipulated Settlement Agreement between Forest Hills and the Florida Department of Environmental Protection is attached hereto as Exhibit "A".

The Applicant has now entered a bulk wastewater treatment arrangement with Pasco County whereby the Applicant will pay to Pasco County, \$3.23 per thousand gallons of wastewater treated by the County. This agreement is attached hereto as Exhibit "B".

The additional cost related to construction of the interconnection between the existing wastewater collection facilities of Forest Hills; retiring the existing wastewater treatment facilities; the changes in expenses that result from this change in mode of operations; as well as a brief historical explanation of the circumstances leading to this required

interconnect are contained in the accounting exhibit attached hereto as Exhibit "C". That accounting exhibit also includes a detailed explanation of each of the cost factors included in the calculation of the rates necessary to recognize these changes in costs and the appropriate rates needed to implement this required change in sewer operation.

II.

Attached hereto as Exhibit "D", is an outline of the basis for the changes in labor costs resulting from this interconnection with explanations for those changes in labor costs.

III.

Attached hereto as Exhibit "E" are revised tariff sheets proposed to be utilized by the Utility in order to implement this change in rates.

IV.

Because of a substantial change in the operating costs which will result from this interconnect, Forest Hills must request an immediate increase in wastewater rates in order for it to continue operations, recover its costs, and earn a fair return on its investment after interconnect. Rather than pursue a full rate case to cover this one change in circumstances at substantially higher cost, Forest Hills requests that these changes be recognized in a limited proceeding under the Commission's authority provided for in Section 367.0822, Florida Statutes.

V.

At this time there are no known disputed issues of material fact in this matter.

VI.

Because the Applicant is being required by DEP to interconnect with the County's system immediately under threat of fine, the Applicant hereby requests that the Commission immediately authorize interim, temporary, or emergency rates in accordance with those reflected on Schedule No. 3 of Exhibit "C" and that such rates be granted within 45 days of the date of this application so that the Utility can comply with the DEP mandates as contained in the Stipulated Settlement Agreement attached as Exhibit "A". Failure of the Commission to provide this interim, temporary or emergency relief will result in the Applicant's economic inability to construct the interconnect in accordance with DEP requirements and will subject the Applicant to substantial potential fines. The interconnection is not only in accordance with the DEP and court mandate, but also is in the public interest. A delay in such interconnection (which by necessity must await rate increase approval) will be contrary to the public interest and serve to place the Utility in violation of the court order and DEP requirements. Until such time as the appropriate rate relief is granted which allows the Applicant to recover the substantial increase in costs occasioned by this required interconnection and allows payment out of those increased revenues for County bulk service charges, the interconnect cannot be undertaken. The Applicant therefore requests that the Commission immediately act to

grant such interim relief to allow the Applicant the rates contained in Schedule No. 3 of Exhibit "C" effective upon interconnection with the County's wastewater treatment facilities and subject to appropriate security being provided by the Utility for such interim rate increase.

VII.

Other information which the Applicant deems relevant is as follows:

(a) The filing fee submitted herewith is a check in the amount of \$1,000 as the appropriate filing fee for this application in accordance with Rule 25-30.020(2)(g)4, F.A.C. for systems with existing capacity to serve between 501 to 2,000 ERCs.

(b) Copies of all orders, notices, correspondence and other communications concerning this application are to be provided to counsel to the Applicant whose name and address as is follows:

F. Marshall Deterding
ROSE, SUNDSTROM & BENTLEY
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(904) 877-6555

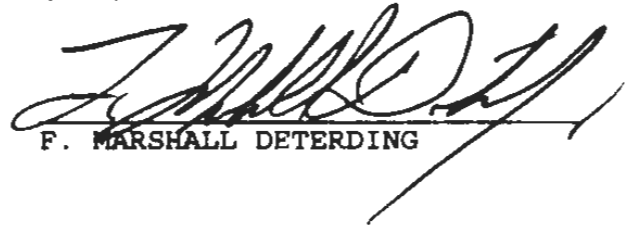
VIII.

Applicant requests that the Commission consider the information supplied herein and approve this application for limited proceeding and the rates shown in Schedule No.3 of Exhibit "C" on an interim/emergency/temporary basis and on a permanent basis as outlined under Paragraph VII hereof in an expeditious manner. Until such time as some interim/emergency/temporary relief

is granted to allow the Applicant to recover and pay the costs which will immediately begin to accrue once the bulk service connection is made, the Applicant cannot formally activate the interconnection with Pasco County and correct the deficiencies previously noted by the Florida Department of Environmental Protection and required to be corrected by the court order attached hereto as Exhibit "A".

Respectfully submitted this
17th day of December, 1996, by:

ROSE, SUNDSTROM & BENTLEY
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(904) 877-6555


F. MARSHALL DETERDING

FOREST HILLS UTILITIES, INC.

Limited Proceeding

Stipulated Settlement Agreement

EXHIBIT A

DOCUMENT NUMBER-DATE

13248 DEC 12 8

FPSC-RECORDS/REPORTING

Dreher/Srout 11/11/90

IN THE CIRCUIT COURT SIXTH JUDICIAL CIRCUIT
IN AND FOR PASCO COUNTY, FLORIDA

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL REGULATION,

Plaintiff,

CASE NO.: CA90 3575

v.

DIVISION G

ROBERT DREHER as Director
and Trustee of FOREST HILLS
UTILITIES, INC., a dissolved
corporation; and
ROBERT L. DREHER, individually,

Defendants.

STIPULATED SETTLEMENT AGREEMENT

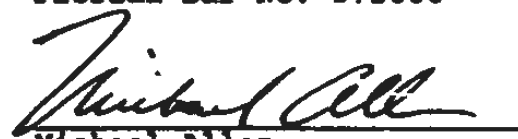
Respectfully submitted,



David K. Thulman,
Assistant General Counsel
State of Florida Department of
Environmental Regulation
Counsel for Plaintiff
Florida Bar No. 356115



Diane V. Kuenzel
Counsel for Defendants
Florida Bar No. 372668



Michael Allen
Counsel for Defendants

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I. INTENT OF AGREEMENT

The parties to this Agreement have negotiated and entered into this Agreement to resolve the following specific issues:

1. Those issues raised in the Consent Order executed on or about October 15, 1985 by Forest Hills Utilities.

2. The use which Forest Hills has made of a certain drainage sand filter system referred to by the DER as a "french drain."

3. The use of water in the Forest Hills Utilities' percolation pond for the irrigation of the golf course by either Forest Hills and/or the Forest Hills Golf and Country Club.

4. The pumping of water from the percolation pond to the sand basin area located in the northwest corner of Forest Hills Golf Court.

5. The renovation of the Forest Hills Treatment Plant or in the alternative,

6. The connection of Forest Hills Treatment Plant to a municipal treatment plant, preferably Tarpon Springs, so that in effect, Forest Hills will become a collection facility as opposed to a treatment facility.

7. The continuing operation of the treatment plant under a Permit, the denial of which is currently being contested.

8. The use of water from the percolation pond for the irrigation of the golf course subsequent to the renovation of the plant or connection of the plant to an outside municipality.

II. BASIS OF AGREEMENT

WHEREAS, Forest Hills Utilities, Inc. is a Florida utility corporation, providing utility service to a designated area in Holiday, Florida; and,

WHEREAS, Robert L. Dreher is the president, and primary stockholder of Forest Hills Utilities, Inc.; and,

WHEREAS, certain discrepancies arose in the spring of 1985; and,

WHEREAS, on April 14, 1984, the DER issued a warning notice to Forest Hills Utilities regarding a "unpermitted discharge"; and,

WHEREAS, subsequently in May, a meeting was held between Forest Hills and the DER wherein it was agreed that the percolation pond would be renovated to provide for more efficient percolation so that the unpermitted discharge would not continue; and,

WHEREAS, in October of 1985 a Consent Order, attached hereto and incorporated herein by reference as Exhibit "A", was executed by Forest Hills and the DER; and,

WHEREAS, in pertinent part, that the plant would be renovated to eliminate the unpermitted discharge and in the event that the renovation failed to eliminate the unpermitted discharge, a complete permit application for the construction of an additional effluent disposal system of some nature would be sought to renovate the plant system to prevent the unpermitted discharge; and,

WHEREAS, renovation of the percolation pond commenced in the fall of 1985 and continued through the spring of 1986; and,

WHEREAS, as part of the renovation, Forest Hills Utilities installed a structure in the berm of the pond which has been referred to as "a french drain system", "a sand filter system", "an underdrain system", "a percolation enhancement system", and numerous other similar titles; and,

WHEREAS, Forest Hills takes the position that the system is legal, was constructed with the knowledge of the DER and, in fact, with the advice of a previous DER agent; and,

WHEREAS, Forest Hills Utilities takes the position that the system does not constitute a "unpermitted discharge", and, furthermore, the system does, in fact, work quite well; and,

WHEREAS, the DER takes the position that the system is illegal, unauthorized, was built without the knowledge or approval of the DER and that the system constitutes a "unpermitted discharge"; and,

WHEREAS, Forest Hills Utilities, from time to time, pumped water to a basin area located in the northwest corner of the golf course, which may, from time to time, form temporary ponds; and,

WHEREAS, Forest Hills Utilities asserts that its pumping water to the northwest basin area is permitted under its current Operating Permit and the DER takes exception to that position; and,

WHEREAS, Forest Hills Utilities takes the position that, by necessity, to prevent the percolation pond from rising to the point that a "unpermitted discharge" will occur by water flowing into the emergency overflow pipe, it is necessary that the utility either occasionally pump water to the northwest basin area and/or

otherwise irrigate the golf course, or the utility permit water to pass through the sand filter or french drain system which the DER disapproves of; and,

WHEREAS, the DER prefers that if no other alternative exists pending the renovation or connection of the utility to an outside municipality that water be pumped to the northwest basin area, or otherwise used in irrigation; and,

WHEREAS, on or about August 2, 1990, a Petition for Enforcement and Complaint was filed by the DER against both Forest Hills Utilities, Inc. and Robert L. Dreher individually, to enforce compliance with the October 1985 Consent Order and to further find against Forest Hills and Robert L. Dreher individually; and,

WHEREAS, the original Petition was amended on or about October 24, 1991, and said Petition is attached hereto and incorporated herein by reference as Exhibit "B"; and,

WHEREAS, the Defendants have generally denied the allegations of the DER and this matter has been in litigation for approximately three years; and,

WHEREAS, in August, 1991, the term of Forest Hills Utilities' Operating Permit ended and Forest Hills is required to file for a renewal of their Operating Permit; and,

WHEREAS, in November, 1991, the DER denied the renewal of Forest Hills Utilities' Operating Permit; and,

WHEREAS, the denial of the Operating Permit is currently being contested with the DER; and,

WHEREAS, the parties jointly recognize that it is an unavoidable fact that Forest Hills is currently operating a sewage collection and treatment system that simply cannot be "shut off" and that Forest Hills Utilities must, for the public good and need, continue to operate and treat the sewage that unavoidably flows to it on a daily basis; and,

WHEREAS, the parties recognize that for the public good, the utility must operate within certain requirements, regulations and legal parameters; and it is the duty of the DER to enforce these statutes and rules regarding the operation of the utility.

WHEREAS, while it is the duty of the DER to enforce the statutes regarding the operation of a utility, it is also the obligation of the DER to provide guidance and assistance with regard to the operation of a utility; and,

WHEREAS, it is in the interest of all parties to resolve this dispute in a fashion that permits Forest Hills to continue to operate, as it must by necessity, currently within reasonable guidelines and parameters, while a program of renovation or connection to an outside municipality is pursued according to agreed schedules; and,

WHEREAS, the parties agree that by the end of these schedules, Forest Hills Utilities must be in compliance with all applicable statutes and rules concerning the operation of its system.

WHEREAS, the parties recognize that it is inevitable that Forest Hills will be required to pay some fines in order to resolve this dispute; and,

WHEREAS, the parties, through extensive mediation, have sought to resolve this matter by agreement,

IT IS THEREFORE AGREED AS FOLLOWS:

III. TERMS OF AGREEMENT

1. Unpermitted Discharge.

The original unpermitted discharge that brought about the October 1985 Consent Order was effluent flowing from the percolation pond through the emergency overflow pipe to another pond located on the golf course. The discharge occurred with some regularity due to the fact that the percolation pond did not percolate at a rate rapid enough to dispose of the treated effluent entering the pond.

While the parties may disagree as to what, for purposes of the current litigation, constitutes a "unpermitted discharge", the parties do agree that the discharge of water from the percolation pond through the emergency overflow pipe should occur only in actual "emergency" situation and should otherwise be prevented or avoided unless it is reasonably impossible to do so.

Therefore, the parties agree that during the interim period while the renovation and/or connection program is being pursued, Forest Hills is to take all reasonable steps, including pumping water to the northwest basin to prevent a discharge through the emergency drain pipe. Furthermore, as the DER disapproves of the sand filter or french drain system, the utility is to take all reasonable steps to keep the effluent level in the percolation pond down to a point that will not permit water to pass through the french drain system. However, the parties agree that water passing

through the french drain system is preferable to water discharging through the emergency drain system.

Also, to assist in maintaining the pond at a level that will not permit water to pass through either the french drain system or the emergency discharge, the utility and/or Forest Hills Golf and Country Club may continue irrigating the golf course.

2. Operating Permit.

Currently, Forest Hills Utilities is operating under the "Operating Permit" that was issued on or about October 27, 1986 and which term ended on or about October 1, 1991. At that time, Forest Hills had filed their application for the renewal of that permit which was subsequently denied by the DER. Currently, that denial is being contested before the Division of Administrative Hearings.

The parties agree that while the renovation and/or connection program is pending, Forest Hills Utilities may and shall continue to operate under the terms of the October 1986 Operating Permit, Permit Number D051-091960. Within ten (10) days of the entry Agreement, Forest Hills Utilities shall withdraw its Petition with regard to renewal of the Operating Permit and such withdrawal shall not in any way prejudice the rights of or otherwise prevent Forest Hills Utilities from seeking a new permit when the renovation and/or connection program is completed. Forest Hills Utilities may continue to operate under its Permit and under the current terms and conditions that apply to that Permit until such time as a new Operating Permit is issued, or the connection is complete or the connection schedule is violated by Forest Hills Utilities.

3. Compliance with DER Regulations and Standards.

The parties agree that it is the obligation of Forest Hills Utilities to operate within the parameters and standards as established by law and that in the event the utility fails or is otherwise unable to comply with any specific standard, it is the obligation of the utility to make reasonable efforts to bring the plant into compliance as soon as possible.

4. Selection of Program.

The parties agree that the intent of this Consent Order is to provide for a means by which the Plant will be in compliance with applicable DER rules and treatment standards. The parties have further agreed that Forest Hills may choose one of two possible solutions to the DER requirements which are: (1) to renovate and/or reconstruct the existing treatment plant (which may include the idea of constructing an entirely new plant); or (2) to connect the utility to an outside regional, county or municipal system which would, therefore, terminate the operation of the existing Forest Hills Utilities Treatment Plant.

Within ninety (90) days of the entry of this Stipulated Settlement Agreement, Forest Hills Utilities will notify the DER in writing as to which program, i.e. either renovation or connection to an outside municipality, has been selected.

The parties agree that connection to an outside regional, county or municipality is the preferred program of both the DER and Forest Hills. Currently, the parties acknowledge that Forest Hills has been and is actively pursuing the option of connecting to the City of Tarpon Springs Municipal Waste Water Treatment Plant. Forest Hills agrees that this option will continuously and efficiently be pursued from the date of the execution of this Consent Order. It is further agreed by Forest Hills that the Tarpon Springs option will continue to be the primary goal and program of choice.

However, the parties acknowledge that, as the connection to Tarpon Springs requires numerous approvals, permits, variances, easements and, of course, financing provisions, some of which elements are totally beyond the control of the parties hereto, it is possible at any given time in the pursuit of the connection program that the connection may become physically or economically impossible. In the event that Forest Hills believes that an obstacle has arisen which makes it impossible or economically unfeasible to continue with the connection program, Forest Hills shall notify the DER in writing with ten (10) days of their position as well as the exact nature of the events which have made the connection program impracticable. In the event that the DER disputes that the obstacles which have arisen justify a declaration of impossibility or impracticability by Forest Hills, the DER reserves the right to seek appropriate relief from the Court.

In the event that the connection program is deemed impossible and/or economically impracticable by Forest Hills Utilities, Forest Hills will immediately begin the second program which is renovation of the existing plant or construction of a new plant.

5. Schedule of Performance.

The parties acknowledge and agree that under either program, renovation or connection, numerous and significant steps must be taken to complete the program. Delays are possible due to the various administrative bodies that will be involved in either program. However, the parties acknowledge that either program selected should be completed as soon as is reasonably possible. To that end, the parties have agreed that certain time schedules be created and followed and have, in fact, created a stipulated penalty system to enforce that schedule.

In an effort to obtain a reasonable schedule for the completion of either program, Forest Hills requested its engineering firm to complete a detailed analysis of what steps would be required for either program and the time consumed by either. That schedule is attached hereto and incorporated herein by reference as Exhibit "A".

In consideration of the fact that this agreement contains other provisions for extensions of time (See Section 6, Page 17, Extensions of Time). The parties agree that the following time

schedules shall apply with regard to the renovation of the plant or the connection of the plant to an adjacent municipality:

A. Renovation of the Plant.

Within 188 ^{Days} weeks after the execution of this Stipulated Settlement Agreement, Forest Hills shall renovate or rehabilitate and upgrade the plant so that it can receive an Operating Permit from the DER. During this period of time, Forest Hills must apply for and receive all permits, rate increases, and authorizations necessary to modify and/or renovate the plant, to complete all construction, and otherwise bring the plant into compliance with applicable DER rules and regulations within the scheduled deadline.

The modification or renovation would upgrade the plant to meet all of the requirements for spray irrigating of the golf course in effect at the time of the application, or would be designed to eliminate the spray irrigation of the golf course and propose an alternative disposal system of sufficient size to dispose of all the effluent.

F. Connection of the Plant.

Within 182 ^{Days} weeks after the execution of this Stipulated Settlement Agreement, Forest Hills shall connect the Forest Hills Utilities service area into

a regional county or municipal system with sufficient capacity to handle the waste water burden of Forest Hills Utilities. During this period of time, Forest Hills shall negotiate and enter all contracts, apply for and receive the permits, rate increases or other authorizations necessary to complete the connection within the scheduled deadline.

Upon the completion of the transmission line, Forest Hills shall plan to take the existing waste water treatment plant off-line. At least sixty (60) days prior to taking the plant off-line, Forest Hills shall submit a plan to the DER which describes how Forest Hills will abandon the plant as well as the monitoring wells and percolation pond. Once the plan is approved by the DER, Forest Hills shall implement the plan. The plan shall be completed no later than sixty (60) days after the plant is taken off-line, or no later than sixty (60) days after the DER approves the plan, whichever is later.

Upon completion of the chosen schedule, Forest Hills Utilities shall submit a Certification of Completion prepared and sealed by a professional engineer. The submittal of this Certification will be used to determine the date of completion of the chosen schedule for purposes of this Agreement. This

Certification may only be submitted on final completion of the chosen schedule, and may not be submitted for substantial compliance or substantial completion of the chosen schedule.

6. Extension of Time.

The parties agree that, either the renovation or connection program shall be completed within the specified time for that chosen schedule. The parties further acknowledge that, while disagreements have arisen with regard to what the reasonable time period is, the parties have agreed that the time frame specified in the previous Schedule of Performance shall be the controlling time frame.

However, if a Petition for Administrative Proceeding is filed by an uninterested third party pursuant to Section 120.57, Florida Statutes, challenging any permit, rate increase or other authorization necessary to comply with this Stipulated Settlement Agreement, then the applicable time period in the applicable program will be automatically extended for a length of time equal to the delay caused by the third party petition. Furthermore, this provision does not prevent the Defendants from requesting the Court to grant additional extensions for good cause, and the DER reserves the right to contest any such request.

Notwithstanding the filing of a Petition, Forest Hills Utilities must continue perform any other acts necessary to meet the chosen schedule which are not adversely affected by the filing of the Petition.

7. Fines.

The parties hereto agree that Forest Hills shall pay certain fines, herein specified, to the DER. The agreement to pay these fines is entered into in the interest of settlement and without any admission on the part of Forest Hills Utilities for any liability or the admission of any wrong doing of any form or nature at any time.

In complete settlement of all the DER's claims for attorney's fees, costs, expenses, damages and civil penalties, Forest Hills shall pay a Ten Thousand Dollar (\$10,000.00) civil penalty to DER's "Pollution Recovery Fund." Payment shall be made in four (4) monthly installments of Two Thousand Five Hundred Dollars (\$2,500.00) each commencing within thirty (30) days of the execution of this Stipulated Settlement Agreement. Each payment shall be mailed to DER and made payable to "The State of Florida Department of Environmental Regulation."

In addition, Forest Hills agrees that it shall pay the DER an additional Twenty-five Thousand Dollar (\$25,000.00) civil penalty at the conclusion of either schedule selected by Forest Hills. This civil penalty shall be paid in twelve (12) monthly installments of Two Thousand Eighty-three Dollars and Thirty-three Cents (\$2,083.33) each payable on the fifteenth (15th) of each month for twelve consecutive months following the completion of either program.

However, as an incentive for accelerated compliance with the schedule of either program, the parties agree that the DER will reduce the additional \$25,000.00 fine by \$5,000.00 per month for each month, or portion thereof, which Forest Hills accelerates the completion of the chosen program schedule.

Robert L. Dreher personally guarantees that all the civil penalty payments required under this Agreement shall be timely and completely made, and if they are not timely or completely made, then Dreher shall immediately pay the balance of the civil penalties owed at that time.

8. Notices, Applications and Submissions.

All notifications, submittals, applications or payments required under this Stipulated Settlement Agreement shall be sent to the Department of Environmental Regulation, Southwest District, Domestic Waste Enforcement, 3804 Coconut Palm Drive, Tampa, Florida 33619-8212.

In the event that any notice, denial, rejection or challenge occurs which Forest Hills deems is an event that justifies either an extension of time or which requires Forest Hills to deem a program as impossible or financially impracticable, Forest Hills will notify DER in writing within fifteen (15) days of any such event, denial, or other obstacle. The Schedules set forth herein shall only be extended by agreement of the parties or order of Court.

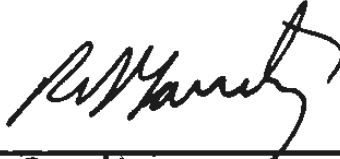
9. Miscellaneous Provision.

- A. The parties agree that the Court has jurisdiction over the subject matter and over the parties hereto.
- B. The provisions of this Stipulated Settlement Agreement shall be binding upon the parties, their agents, successors and assigns.
- C. The DER is the administrative agency of the State of Florida with the power and authority to regulate water pollution in the State of Florida pursuant to Chapter 403, Florida Statutes.
- D. Forest Hills Utilities, Inc. is a Florida corporation which owns and operates Forest Hills Sewage Treatment Plant located on Candlewood Drive, Holiday, Pasco County, Florida. Robert L. Dreher is the President of Forest Hills Utilities, Inc.
- E. If, for any reason, Forest Hills Utilities, Inc. is unable to timely complete a chosen program, both Forest Hills Utilities, Inc. and/or the DER reserve the right to request that the Court impose additional or different relief than that which is provided herein.
- F. Forest Hills shall allow the DER access to its property and the plant for the purposes of determining compliance with DER rules and regulations as well as the terms of this Stipulated Settlement Agreement.

- G. During the pendency of either program, Forest Hills Golf Course shall be entitled to continue to spray irrigate its golf course and upon the completion of either program, Forest Hills Golf and Country Club shall be entitled to continue to spray irrigate the golf course.
- H. The Court shall retain jurisdiction over this action to enter such orders as may be necessary to enforce the terms of this Stipulated Settlement Agreement.

10. Execution of Agreement.

WE CONSENT TO THE ENTRY OF THIS STIPULATED SETTLEMENT AGREEMENT WITHOUT FURTHER NOTICE.



Rick Garrity
State of Florida Department of
Environmental Regulation



Robert L. Dreher
President of Forest Hills Utilities,
Inc.

READ, APPROVED AND SO ORDERED.

Date: 2/12/93

77, LAWRENCE E. KEOUGH
Judge, Circuit Court
Sixth Judicial Circuit



Loveras, Paur and Stevens

Engineers - Surveyors

National Society
of
Professional Engineers

Florida Engineering
Society

Florida Water
Pollution Control
Association

American Society
of
Civil Engineers

Florida Society
of
Professional Land
Surveyors

Tampa Bay Society
of
Professional Land
Surveyors

American
Congress
of
Surveying
and
Mapping

June 26, 1992

REVISED JANUARY 25, 1993

Forest Hills Utilities, Inc.
1518 U.S. Hwy. 19
Holiday, FL 34691

RE: Forest Hills Utilities
Pasco County, FL

Gentlemen:

As requested by Attorney Michael Allen, this letter report will provide you with a detailed engineering design, governmental permitting and construction time schedule of two (2) separate alternative sewage treatment and effluent disposal alternatives as they relate to the above-referenced utility. Alternative "A" is a detailed time schedule for a new 0.3 MGD sewage treatment plant ("STP"), which is projected to be constructed on the West Parcel of the Forest Hills Golf Course property. Alternative "B" is a proposal to transmit the raw sewage from the Forest Hills Utilities ("Forest Hills") sanitary sewer system, by lift station and forcemain, to the City of Tarpon Springs sanitary sewer mains, with ultimate treatment at the City of Tarpon Springs' sewage treatment plant.

The following is a detailed time schedule of the engineering and technical steps required in order to accomplish the above-outlined alternatives:

ALTERNATIVE "A"
**(NEW 0.3 MGD SEWAGE TREATMENT PLANT LOCATED ON THE
VACANT WEST PARCEL OF THE FOREST HILLS GOLF COURSE PROPERTY)**

NOTE: The engineering data and time schedule outlined below are based upon a STP that will meet all governmental spray irrigation technical standards and minimum requirements for disposal of effluent on the Forest Hills Golf Course. The time schedule estimate outlined below incorporates continuous consultations and meetings with representatives of Forest Hills during the surveying, engineering and permitting of this project.

— EXHIBIT "A" —

Country Villa Plaza - 29228 U.S. Hwy. 19 N., Clearwater, Fla. 34621
Pinellas: Phone: (813) 784-3885 • Pasco: Phone: (813) 842-7835
Telefax: (813) 784-8183

1. Boundary survey, including legal description of West Parcel -- survey field work and drafting 2 weeks
2. Topographic survey (including location of trees, utilities, drainage, etc.) based on NGVD (mean sea level) -- survey field work and drafting 4 weeks
3. As-built survey (and coordination with Forest Hills maintenance representatives) of the existing golf course irrigation piping system -- engineering coordination, survey field work and drafting 2 weeks
4. Coordination and consultation with environmental/biological representatives regarding governmental wetland jurisdictional line -- engineering coordination, survey field work and drafting 2 weeks
5. Coordination, consultation, and retaining of engineering soil testing company in order to perform borings (soil classification and blow counts) at location of proposed STP structure 2 weeks
6. Coordination and consultation with STP manufacturers, including preliminary sales plant sketches, flow diagrams, and preliminary budget bid estimates 3 weeks
7. Preliminary engineering design plot plan/layout plan for proposed 0.3 MGD STP (with effluent disposal on golf course) -- engineering design and drafting 4 weeks
8. Preapplication conference with permitting officials of the Department of Environmental Regulation ("D.E.R.") 0 weeks
9. Presubmittal conference with applicable staff representatives of Pasco County ("County") with regards to site plan approval and zoning special exception 0 week

10. Preparation of County zoning special exception, formal submittal of special exception application, and staff processing/review of application and applicable submitted exhibits 4 weeks
11. Attendance at County public hearings (including public notice advertising period) regarding zoning approval of use of West Parcel for STP through the County's special exception process 4 weeks
12. Preparation of engineering site plan (including design location of STP tanks, facilities, servicing driveway, fencing, drainage detention area, and grading plan) -- engineering design and drafting 4 weeks
13. Submittal and processing of engineering site plan for approval purposes through County staff departments, including the Pasco County Development Review Committee 4 weeks
14. Coordination and consultation with the STP manufacturer awarded the contract for the new 0.3 MGD STP, request for plant structural design drawings and specifications, and meetings with plant manufacturer representatives regarding structural foundation, piping connection aspects, and electrical power demand requirements 2 weeks
15. Engineering design of STP structures, flow process, tanks, and piping (including the incorporation of the engineering site plan and the STP manufacturer drawings as combined engineering plans and specifications) -- engineering design and drafting 12 weeks
16. Engineering design of spray irrigation piping and pumping system to golf course, including a review/redesign of the existing golf course irrigation piping system, analysis of berming and golf course sheetflow drainage outfalls, analysis of existing golf course lakes as they influence the effluent irrigation, and final engineering plans for the proposed treated effluent spray irrigation system -- engineering design and drafting 4 weeks

17. Preliminary submittal of STP and effluent disposal engineering plans and specifications to D.E.R. for their preliminary comments and review 1 week
18. Preparation and processing of Stormwater Management Permit through the Southwest Florida Water Management District ("SWFWMD") 8 weeks
19. Coordination and providing additional information to SWFWMD as part of the request to allow the STP impervious coverage on the West Parcel through the required Stormwater Management Permit 4 weeks
20. Submittal of plant and effluent disposal system engineering plans to a minimum of six (6) site and utility contractors for bidding and pricing purposes, including the preparation of a Materials List and Bidding Regulations 6 weeks
21. Coordination with site and utility contractors regarding bidding questions, accepting of bid proposals, and preparation of detailed tabulation of bids in the review for future awarding of contract 1 week
22. Coordination with the Forest Hills attorney and Forest Hills accountant in preparation of Rate Increase Case for processing with the State of Florida Public Service Commission ("PSC") 4 weeks
23. Preparation of engineering plans and exhibit packages for Forest Hills attorney who is preparing the PSC Rate Case 2 weeks
24. Engineering consultations with the Forest Hills attorney and accountant during the submittal, processing and public hearing aspects of the Rate Case with the PSC. These consultations are for the entire length of the Rate Case, from beginning of preparation to Final Order by the PSC. (The Rate Case

- booklet report, Rate Case legal aspects,
and Rate Case accounting financial numbers
are to be prepared by the Forest Hills
attorney and accountant prior to filing
with PSC.) 44 weeks
25. Submittal of formal application to D.E.R.
for construction permitting of new 0.3 MGD
STP and effluent disposal system (this
includes the preparation of the application
forms and construction plan packages) 2 weeks
26. Coordination with D.E.R. staff in order to
provide additional information and technical
data regarding the processing of the applica-
tion for permitting of the STP and effluent
disposal system (this includes the time that
D.E.R. will need to review and process the
permit application) 12 weeks
27. Publishing of public legal notice advertise-
ment of the D.E.R.'s intent to issue a Con-
struction Permit for the proposed STP and
effluent disposal system. This is accom-
plished through a newspaper of local
circulation 3 weeks
28. Coordination with financial lenders in
order for Forest Hills to obtain a commercial
loan for the construction of the new STP and
effluent disposal system. This does not
include the submittal of a loan request
package (to be prepared by Forest Hills),
but does include the preparation of the
engineering plans and exhibits that will be
required by the lender in order to process
the loan for approval purposes 4 weeks
29. Preparation of special survey for lender in
order to guarantee the commercial loan for
the STP and disposal system, including the
special legal certification and other title
policy requirements per the counsel and loan
officer of the specific lending institution --
field survey work and drafting 3 weeks

Forest Hills Utilities, Inc.

June 26, 1992/REVISED JANUARY 25, 1993

Page six.

30. Consultation with site and utility contractor with regards to awarding of contract for site construction purposes. The actual legal contract will be prepared by Forest Hills, through its legal counsel, and reviewed by Lloveras, Baur and Stevens ("LBS") (as project engineers) for engineering completeness and technical aspects 1 week
31. Coordination with STP manufacturer with regards to the award of contract for STP structure, piping and electrical construction purposes. The actual legal contract will be prepared by Forest Hills, through its legal counsel, and reviewed by LBS (as project engineers) for engineering completeness and technical aspects 1. week
32. Preconstruction conference with site/utility contractor, plant manufacturer, Florida Power Corporation, General Telephone Company, testing laboratory, Pasco County inspectors, Forest Hills representatives, and engineering/surveying representatives of LBS 1 week
33. Survey stakeout of site for clearing and grading (this includes the time schedule for the site/utility contractor to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 3 weeks
34. Survey stakeout of fence around perimeter of STP site (this includes the time schedule for the site/utility contractor to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 2 weeks
35. Survey stakeout of utility pipelines, drainage pipes, and effluent spray irrigation piping lines (this includes the time schedule for the site/utility contractor to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 6 weeks

- 36. Survey stakeout of STP foundation, including horizontal and vertical elevation grade (this includes the time schedule for the site/utility contractor to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 3 weeks

- 37. Survey stakeout of STP structure, tanks, and piping in coordination with plant manufacturer (this includes the time schedule for the STP manufacturer to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 13 weeks

- 38. Coordination with site/utility contractor, STP manufacturer and electrical contractor regarding installation of power and telephone lines and other utility/piping lines prior to final completion and final plant turn-on 1 week

- 39. Survey stakeout of driveway/parking area, final grading of swales, and other related site improvements prior to final grading and sodding/including sodding (this includes the time schedule for the site/utility contractor to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 3 weeks

- 40. Approval of payment requests by site/utility contractor, STP manufacturer and electrical contractor. This will include checking of construction facilities, checking pay request quantities, and processing these pay requests through Forest Hills 1 week

- 41. Record drawing preparation and final engineering certifications. This will include survey field work of As-Built facilities and revision of engineering plans to conform with As-Built conditions -- engineering and drafting 4 weeks

42.	Processing of certification and record drawings through the D.E.R. for final release and acceptance of new STP and effluent disposal facilities	<u>2 weeks</u>
43.	Preparation and processing of D.E.R. request to operate this STP and facilities	<u>0 weeks</u>
44.	Coordination of STP demolition and abandonment of STP. This will include specifications and bidding regulations in order to demolish the existing STP structures, coordinate the disconnection of utility lines, and hauling of debris and other material off-site to an approved County dump site	<u>0 weeks</u>
	TOTAL TIME	<u>188 weeks</u>
	SCHEDULE	(44 months)

ALTERNATIVE "B"
(CONNECTION TO CITY OF TARPON SPRINGS)

NOTE: The engineering data and time schedule outlined below are based upon a master lift station and forcemain piping system to connect Forest Hills to the City of Tarpon Springs sanitary sewer transmission facilities. The time schedule estimate outlined below incorporates continuous consultations and meetings with representatives of Forest Hills during the surveying, engineering and permitting of this project.

1.	Approval by the City of Tarpon Springs ("City") to allow the connection and acceptance of the raw sewage from the Forest Hills service area. This will include preliminary meetings with City staff administrative personnel, Engineering Department personnel, Sanitary Sewer Department personnel, and formal agreement by City officials. The formal agreement is to be prepared by the attorney for Forest Hills in conjunction with the City Manager and City Attorney. LBS will provide engineering technical advice for the formalization of the Forest Hills/City of Tarpon Springs connection agreement	<u>12 weeks</u>
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2. Preliminary utility meeting with representatives of the City's Sanitary Sewer Department in order to finalize the forcemain route from the Forest Hills master lift station to the City's point of connection. This will be accomplished using available aerial photographs and City sewer maps 1 week

3. Topographic survey of forcemain route from proposed master lift station to City's point of connection. This survey will include both the location of horizontal topographic features and vertical topographic elevations. This topographic route survey will also include the location of underground cables, pipelines, and other surface/subsurface facilities that exist along the forcemain route 6 weeks

4. Boundary survey of easement parcels that will be required in order to construct the forcemain along the proposed route. This will include meeting with property owners, obtaining copies of deeds, surveying the easement parcels, writing legal descriptions for easement documents, and processing the easement documents with each individual property owner affected -- survey field work and drafting 2 weeks

5. Preliminary design plan of master lift station and forcemain from the Forest Hills site to the City's point of connection. This preliminary engineering site plan will incorporate the location of the topographic features, easement parcels, and provide an entire design plan of the location of the master lift station and the raw sewage forcemain -- engineering design and drafting 6 weeks

6. Preapplication conference with the City's Engineering Department and Sanitary Sewer Department personnel in order to review and obtain preliminary approval of the preliminary master lift station and forcemain design plan 1 week

7. Preapplication conference with Parco County Engineering and Highway Department officials with regards to the utilization of County public road right-of-ways for the construction and installation of the proposed forcemain. This will include the review of the preliminary master lift station and forcemain design plan 1 week

8. Preapplication conference with the Department of Transportation ("D.O.T.") officials with regards to the utilization of State public road right-of-ways for the construction and installation of the proposed forcemain. This will include the review of the preliminary master lift station and forcemain design plan 1 week

9. Preapplication conference with D.E.R. staff personnel in order to obtain preliminary approval and review of the preliminary master lift station and forcemain design plan. This review will include a discussion regarding the abandonment of the existing STP and the connection to the City's sanitary sewer system 0 week

10. Final engineering design and preparation of construction plans/specifications for master lift station and transmission forcemain. This will include the complete engineering construction plans, profile plans of forcemain, lift station details and specifications. This will also include conferences with pump manufacturers to ascertain the type of pumps, pumping capacity and design specifications in order to place this information on the final engineering design plans -- engineering design and drafting 12 weeks

11. Submittal and processing of final engineering construction plans through the City for approval and permitting purposes. This will include revisions and additions to the plans that may be required by the City during its staffing/review process 6 weeks

- 12. Submittal and processing of final engineering construction plans through Pasco County for approval and permitting purposes. This will include revisions and additions to the plans that may be required by the County during its staffing/review process. This County process is for the forcemain route on public right-of-ways only 2 weeks

- 13. Preparation and processing of Pasco County Use Permit for allowing the construction/ installation of the Forest Hills forcemain within all County public road right of-ways. This will include the preparation of the application forms, submittal to the County for review, and coordinating the final issuance of the County's Use Permit 4 weeks

- 14. Processing of engineering plans through D.O.T. for approval and permitting process. This will include revisions and additions to the engineering plans that may be required by D.O.T. during its staffing/review process. This D.O.T. process is for the forcemain route on State public right-of-ways only 8 weeks

- 15. Preparation and processing of D.O.T. Utility License Permit for allowing the construction/installation of the Forest Hills forcemain within all State public road right-of-ways. This will include the preparation of the application form, submittal to D.O.T. for review, and coordinating the final issuance of the Utility License Permit by D.O.T. 4 weeks

- 16. Preparation and processing of D.E.R. Collection System Permit application for allowing the construction/installation of the master lift station and forcemain. This construction Collection System Permit application will also include the review of the final engineering construction plans by D.E.R. 4 weeks

17. Preparation and processing of a D.E.R. STP Abandonment Plan. This will include the preparation and processing of the Abandonment Plan so that the existing Forest Hills STP can be taken out of service and abandoned, subsequent to placing the master lift station and forcemain into operation and transmitting the sewage to the City 0 weeks
18. Coordination of STP demolition and abandonment of STP. This will include specifications and bidding regulations in order to demolish the existing STP structures, coordinate the disconnection of utility lines, and hauling of debris and other material off-site to an approved County dump site 0 weeks
19. Submittal of master lift station and forcemain plans to a minimum of six (6) site and utility contractors for bidding and pricing purposes, including the preparation of a Materials List and Bidding Regulations 6 weeks
20. Coordination with site and utility contractors regarding bidding questions, accepting of bid proposals, and preparation of detailed tabulation of bids in the review for future awarding of contract 1 week
21. Coordination with the Forest Hills attorney and Forest Hills accountant in preparation of Rate Increase Case for processing with the PSC 4 weeks
22. Preparation of engineering plans and exhibit packages for the Forest Hills attorney who is preparing the PSC Rate Case 2 weeks
23. Engineering consultations with the Forest Hills attorney and accountant during the submittal, processing and public hearing aspects of the Rate Case with the PSC. These consultations are for the entire length of the Rate Case, from beginning of preparation to Final Order by the PSC. (The Rate Case

- booklet report, Rate Case legal aspects, and Rate Case accounting financial numbers are to be prepared by the Forest Hills attorney and accountant prior to filing with the PSC) 44 weeks
24. Coordination with financial lenders in order for Forest Hills to obtain a commercial loan for the new master lift station and forcemain system. This does not include the submittal of a loan request package (to be prepared by Forest Hills), but does include the preparation of the engineering plans and exhibits that are required by the lender in order to process the loan for approval purposes 4 weeks
25. Preparation of special survey for lender in order to guarantee the commercial loan for the master lift station and forcemain system and abandonment/demolition of the existing STP, including the special legal certification and other title policy requirements per the counsel and loan officer of the specific lending institution -- field survey work and drafting 3 weeks
26. Consultation with site and utility contractors with regards to awarding of contract for site/utility construction purposes. The actual legal contract will be prepared by Forest Hills, through its legal counsel, and reviewed by LBS (as project engineers) for engineering completeness and technical aspects 1 week
27. Preconstruction conference with lift station pump manufacturer, site/utility contractor, Florida Power Corporation, General Telephone Company, testing laboratory, City of Tarpon Springs inspectors, Pasco County inspectors, Forest Hills representatives, and engineering/surveying representatives of LBS 1 week
28. Survey stakeout of master lift station for construction/installation. This will include both the stakeout of the horizontal location and vertical grade elevations (this includes the time schedule for the site/utility contractor to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 8 weeks

- 29. Survey stakeout of forcemain along its entire route from the Forest Hills master lift station to the City's point of connection. This will include both the horizontal stakeout location and the vertical grade elevations for this forcemain piping system. In addition, special stakeout of the forcemain jack and bores will be coordinated with the utility contractor. The stakeout of the forcemain along its entire route will be done in segments, subject to the coordination and installation time schedule by the utility contractor (this includes the time schedule for the site/utility contractor to perform the work and for LBS to coordinate/stakeout the proposed improvements) -- survey field work 24 weeks

- 30. Coordination with the pump manufacturer regarding installation of pumps and electrical equipment, acceptance of these pumping facilities, and scheduling of "turn-on" field meeting 1 week

- 31. Coordination with City regarding testing of forcemain from master lift station to point of connection, including hydraulic head and pressure losses 1 week

- 32. Approval of payment requests by site/utility contractor, lift station pump manufacturer, and electrical contractor. This will include checking of construction facilities, checking pay request quantities, and processing these pay requests through Forest Hills 1 week

- 33. Record drawing preparation and final engineering certifications. This will include survey field work of As-Built facilities and revision of engineering plans to conform with As-Built conditions -- engineering and drafting 4 weeks

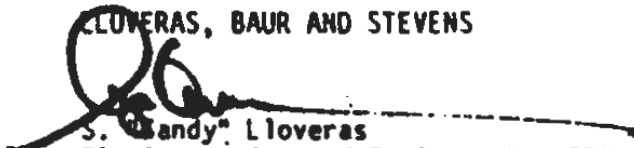
34. Processing of certification and record drawings through the D.E.R. for final release and acceptance of new master lift station and forcemain system 2 weeks
35. Final inspection and acceptance of master lift station and forcemain piping system by representatives of the City of Tarpon Springs, Forest Hills, and LBS. This will include the final acceptance of the lift station structure and pumping facilities, forcemain piping installation, restoration of disturbed areas during the construction of the forcemain along its route, and final point of connection to the City's system 5 weeks
- TOTAL TIME 182 weeks
SCHEDULE (43 months)

As soon as a decision is made as to whether to proceed with the engineering, approvals and permitting aspects of Alternative "A" or Alternative "B", LBS will be very happy to immediately begin the necessary services to accomplish and perform the above detailed items. As you can see from the above itemized time schedules, the entire process is very lengthy, whether Alternative "A" or "B" is utilized. In addition, there are numerous additional ownership, legal and accounting items that need to be performed in order to reach the ultimate goal projected in either of the two (2) above-outlined alternatives. These ownership, legal and accounting items can be performed at the same time as the above engineering/construction/permitting items are being accomplished. In addition, we have taken into consideration the potential overall between different specific technical, construction and permitting aspects in arriving at an equitable time schedule that will actually provide the total time schedules shown above.

If additional information or services are required regarding this project, please do not hesitate in contacting us.

Very truly yours,

LLOVERAS, BAUR AND STEVENS


S. Sandy Lloveras
Florida Registered Engineer No. 8508

cc: Michael Allen, Esquire

SL:dn



IN THE CIRCUIT COURT
SIXTH JUDICIAL CIRCUIT,
PASCO COUNTY, FLORIDA.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL REGULATION,

CASE NO. CA 90-3575 Div. G

Plaintiff,

v.

ROBERT DREHER as Director
and Trustee of FOREST HILLS
UTILITIES, INC., a dissolved
corporation; and
ROBERT L. DREHER, individually,

Defendants.

ADDENDUM TO STIPULATED SETTLEMENT AGREEMENT

The parties hereto, State of Florida Department of Environmental Regulation ("DER"), Forest Hills Utilities, Inc. ("Forest Hills") and Robert L. Dreher ("Dreher") agree to the entry of this Addendum to Stipulated Settlement Agreement ("Addendum") which is hereby incorporated and made a part of that Stipulated Settlement Agreement ("Agreement").

The parties agree that certain issues have arisen since the drafting of the Agreement and that in an effort to settle those issues prior to trial the parties agree the this Addendum should be executed.

1. Forest Hills agrees to pay \$5,000 in addition to the penalties set forth in the Agreement. This money will be paid in four monthly installments as provided in the second paragraph of section 7 of the Agreement. However, instead of four payments of \$2,500 as provided in that section, the payments will be \$3,750.

Dreher agrees to guarantee payment of this \$5,000 as provided in the Agreement.

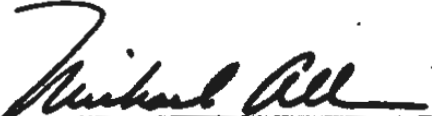
2. This payment of \$5,000 will be in complete settlement of all claims DER has for damages, civil penalties, costs, expenses and attorney's fees against Forest Hills Utilities, Inc. or Robert Dreher for any alleged violations arising from the submittal of or failure to submit accurate or complete Monthly Operating Reports prior to the entry of the Agreement and this Addendum. Nothing in this Addendum or the Agreement should be construed as affecting any rights DER may have against any other person for these alleged violations.


3. Forest Hills agrees that Cecil Raymond will no longer be the certified operator for the plant. Forest Hills will have 30 days to replace him. If a longer time is necessary to hire a replacement, Forest Hills may request an extension of time pursuant to the requirements of the Agreement.

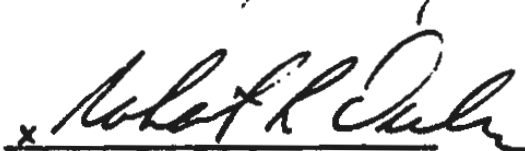
4. It is intended by the parties that submittal, approval, implementation and completion of the plan for abandonment of the plant described in the second paragraph of Paragraph B of Section 5 of the Agreement is a part of the Agreement which is independent of the requirements of the schedule for Connection of the Plant.

5. This Addendum and the Agreement and the attachments thereto contain the entire agreement of the parties.

1/25/93
DATE


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Counsel for Defendants
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Assistant General Counsel
State of Florida Department
of Environmental Regulation
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Tel. (904) 488-9730
FBN: 356115


Robert L. Draher
Individually and as President of
Forest Hills Utilities, Inc.

IN THE CIRCUIT COURT SIXTH JUDICIAL CIRCUIT
PASCO COUNTY, FLORIDA

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL REGULATION,

CASE NO. CA 90-3575 Div. G

Plaintiff,

v.

ROBERT DREHER as Director
and Trustee of FOREST HILLS
UTILITIES, INC., a dissolved
corporation; and
ROBERT L. DREHER, individually,

Defendants.

ORDER APPROVING STIPULATED SETTLEMENT AGREEMENT

The parties hereto, State of Florida Department of Environmental Regulation, by counsel, David K. Thulman, and Forest Hills Utilities, Inc. and Robert L. Dreher, individually, and by counsel, Diane Kuenzel and Michael Allen, having reached a Stipulated Settlement Agreement, it is ORDERED:

1. The Court approves the attached Stipulated Settlement Agreement and the Addendum to Stipulated Settlement Agreement.

2. The Stipulated Settlement Agreement provides for the renovation of the Forest Hills Sewage Treatment Plant or its connection to an adjacent County or Municipal plant. This connection or renovation will require months to complete and the parties have requested that this case remain open and pending until either the connection or renovation is completed.

3. Therefore, notwithstanding the provisions of Fla. R. Civ. Pro. 1.420, this case will not be dismissed for failure to prosecute during the pendency of the Agreement and the clerk is

instructed to keep this case on pending status.

4. The parties will promptly inform the court upon successful completion of the Agreement.

ORDERED, this 12th day of February, 1993.

W. LAWRENCE E. KEOUGH

Judge Lawrence E. Keough
Circuit Judge

Distribution to:

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Assistant General Counsel
State of Florida Department
of Environmental Regulation
2600 Blair Stone Road
Tallahassee, FL 32399-2400

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1

FOREST HILLS UTILITIES, INC.

Limited Proceeding

Bulk Wastewater Agreement

EXHIBIT B

BULK WASTEWATER TREATMENT AGREEMENT
BETWEEN FOREST HILLS
AND PASCO COUNTY

THIS AGREEMENT, made and entered into this ____ day of _____, 1995, by and between Forest Hills Utility, Inc., a Florida Corporation, organized under the laws of the State of Florida, hereinafter referred to as "Utility", and Pasco County, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, the governing body thereof, hereinafter referred to as "County".

W I T N E S S E T H:

WHEREAS, the Utility has received a certificate from the Florida Public Service Commission authorizing the provision of public sewer service to an area located in the southwest portion of the County pursuant to Chapter 367.041, Florida Statutes; and,

WHEREAS, the Utility has requested the County to provide such bulk wastewater treatment service for its existing customers and specifically designated new customers of Forest Hills' system; and,

WHEREAS, subject to the conditions and limitations set forth herein, the County desires to provide bulk wastewater treatment services to Forest Hills for the purpose of offering centralized wastewater services from the New Port Richey Wastewater Treatment Plant which presently possesses sufficient excess capacity to provide such treatment; and,

WHEREAS, in conjunction with the requested service the County desires to provide certain standards for the expansion of the Utility's wastewater treatment system and certain requirements

for the quality of effluent delivered by the Utility to the County for treatment.

NOW, THEREFORE, in consideration of the premises which shall be deemed an integral part of this Agreement and of the mutual covenants and conditions set forth herein, the County and Utility intending to be legally bound thereby, agree as follows:

Section 1. Purpose.

It is the purpose and intent of this Agreement to provide for central public sewer services to existing homes and structures and future homes and structures located in the certificated area of Forest Hills and to provide for additional assurances of timely payment to the County of all costs incurred in the provision of such service by the County, including, but not limited to, cost of operation and maintenance, debt service costs, capital costs, renewal and replacement costs, and expansion costs. All terms and conditions contained herein shall be read and interpreted in a manner consistent with and in furtherance of this purpose and intent.

Section II. Bulk Wastewater Treatment Service.

A. Subject to the conditions and limitations set forth in this Agreement, the County shall provide bulk wastewater treatment services in an amount of 225,000 gallons per day (annual average daily flow or "AADF") to Forest Hills. Such services shall be provided through an extension of the County's collection system. The County shall use its best efforts to construct and complete the extension and master pump station within eighteen (18) months of

the effective date of this agreement. The new master pump station to be constructed by the County shall be at the location depicted on Exhibit "A". Forest Hills shall convey or dedicate the property or an appropriate easement in the property described on Exhibit "A" to the County within thirty (30) days of the effective date of this Agreement. Forest Hills shall be responsible for making the actual connection to the County's master pump station. The location and type of connection to the master pump station shall be approved by the County prior to the time the work is actually performed. Such work shall be supervised and directed by the County and must meet all applicable State and County standards. It shall be the responsibility of Forest Hills to furnish proof from its engineer to the County's Utility Director and/or other appropriate members of the staff of the comparability and equivalency of all such material and standards of performance as previously mentioned.

1. Forest Hills agrees to reimburse the County for the pro rata share of the cost of the line extension and construction of the master pump station performed by the County. The amount of such reimbursement shall be One Hundred Thousand and no/100 Dollars (\$100,000.00) which shall be paid by Forest Hills to the County in accordance with the following schedule:

- (a) Ten Thousand Dollars (\$10,000) within thirty (30) days of execution of this agreement;
- (b) Twenty-Five Thousand Dollars (\$25,000) within thirty (30) days of the County's notice that the County has solicited bids for construction of the line extension;

- (c) Twenty-Five Thousand Dollars (\$25,000) within thirty (30) days of the County's notice that construction of the master pump station has commenced;
- (d) Twenty-Thousand Dollars (\$20,000) within thirty (30) days of the County's notice that the line extension construction has been completed; and,
- (e) Twenty-Thousand Dollars (\$20,000) within thirty (30) days of the County's notice that the master pump station construction has been completed.

2. Forest Hills shall install, as part of its connection to the County system, an appropriate metering device(s) meeting County specification provided by Forest Hill, at Forest Hill's cost, at all points of connection which is acceptable to the County for the purposes of determining the amount of wastewater treatment services being provided by the County pursuant to this Agreement. It shall be the responsibility of Forest Hills to pay all costs associated with the purchase and installation of such meter(s). The County shall own, operate, and maintain the meter(s), and the County shall have the absolute right of access for testing, reading purposes, and for any necessary repairs to maintain the integrity of the County's wastewater collection system. Forest Hills shall also be provided reasonable access to the meter(s) for testing and reading purposes.

3. Meter Reading and Payments - The County will invoice Forest Hills on a monthly basis in accordance with meter readings taken. Forest Hills shall make payment based upon the meter

readings within thirty (30) days after receipt of the invoice from the County. In the event that the payment is not made within thirty (30) days after receipt of the invoice, Forest Hills agrees to pay interest or penalties as established from time to time in the County's utility system service regulations on the outstanding balance until paid in full. Nothing contained herein, including the charging of interest, shall extend the due date for any payment and any failure to pay on or before the due date shall be considered a default under the terms of this Agreement entitling the County to those remedies set forth in the default section including, but not limited to, termination of service. Forest Hills shall not be liable for the costs of the purchase and installation of any additional meters or similar equipment or devices used to measure the amount of wastewater treated. In the event Forest Hills disputes the accuracy of any meter reading, it must notify the County within fifteen (15) days of billing and demonstrate through appropriate calibration testing that the meter is either not properly calibrated or is not functioning properly. All meter readings not disputed within fifteen (15) days of receipt by Forest Hills are final and not subject to dispute. In the event Forest Hills disputes the billing it shall still pay the amount billed by the County unless the error is self-evident or obvious when compared to typical average useage and/or historical flows. If it is subsequently determined, in accordance with the procedure specified below, that the billing is in error then Forest Hills will be reimbursed or credited for any difference within thirty

(30) days of such determination. If Forest Hills demonstrate that the County's meter is not working properly then the County shall be responsible for the cost of testing, repair, or replacement. In the event of any unresolved dispute concerning the meter's performance or accuracy, the parties agree to mutually select an independent testing company qualified to perform appropriate tests upon the meter. The decision of this mutually selected testing company as to the meter's performance or accuracy shall be binding upon the parties. In the event the meter is determined to be accurate with the manufacturer's range of tolerance then the cost of testing shall be paid by Forest Hills. If the meter is determined to be inaccurate and outside the range of tolerances then the County shall pay for the cost of testing.

B. Monthly Service Rate - Forest Hills agrees to pay the County a service rate of Three and 13/100 Dollars (\$3.13) per thousand gallons of wastewater treated based upon the meter readings. This initial user service rate, including any or all components thereof, may be adjusted upward or downward by the Board of County Commissioners from time to time in accordance with the County's rate-setting procedures.

C. Impact Fees:

(1) Existing Development - A One and 00/100 Dollar (\$1.00) per thousand gallons capital recovery surcharge shall be charged by Pasco County for wastewater flow treated from Forest Hills for existing development within the Public Service Commission certificated area of Forest Hills Utilities. Existing development

for purposes of this Agreement shall include all structures and development within the certificated area of Forest Hills Utilities at the time of execution of this Agreement regardless of whether such development is then receiving utility service from Forest Hills. This One and 00/100 Dollar (\$1.00) per thousand gallons capital recovery surcharge shall no longer be charged by the County after the twenty-fifth (25) anniversary of this agreement and no additional impact fee or capital recovery surcharge shall be collected by the County under this agreement or any extension of said agreement for the 225,000 gallons per day (AADF).

(2) Committed Development - No additional, upfront impact fee shall be charged for any development which connects to Forest Hills Utilities within five (5) years of this agreement for which: (a) an impact fee or connection fee has previously been collected by Forest Hills; or, (b) Forest Hills has contractually obligated or otherwise committed to provide such service prior to this agreement without collection of additional impact fees. For purposes of this agreement, "committed development" shall specifically include those properties identified in Exhibit "B", attached hereto and incorporated herein by reference. However, the wastewater flow from such connections will be subject to the One and 0/100 Dollar (\$1.00) per thousand gallon surcharge applicable to existing development under the same terms and conditions as expressed above in subparagraph C.(1).

(3) New Development - Any new, previously uncommitted development within Forest Hills Service Area shall pay an upfront

impact fee to the County at the time a building permit is issued in an amount determined by multiplying the then current County impact fee by a fraction, the denominator of which is the original term of this agreement (25 years) and the numerator of which is the number of years which have elapsed since the execution of this agreement, rounded to the nearest .5 years. For example, if a permit for a new home is pulled within the third year of this agreement, the owner would pay the County an upfront impact fee determined as follows: $\frac{3}{25}$ the times the then current wastewater impact fee for the County. The wastewater flow from the connection of new development shall also be subject to the One and 00/100 Dollar (\$1.00) per thousand gallons surcharge applicable to existing development under the same terms and conditions expressed above in subparagraph C.(1).

D. Excess Capacity - The County agrees to treat wastewater in excess of 225,000 gallons per day (AADF) pursuant to this Agreement provided sufficient unused and uncommitted capacity is available at the New Port Richey Wastewater Treatment Plant, as determined by the County, and all appropriate permits have been obtained by Forest Hills from State regulatory agencies. Forest Hills and the County agree that the impact fee for such excess capacity shall be the same as the impact fee for New Development as set forth in C.(3, above).

E. Discharge Regulations - Forest Hills agrees to abide by the Pasco County Sewer Use Ordinance including the Regulations for Discharge to Pasco County Wastewater System in its entirety and as

it may be changed from time to time by requirement of federal or state authorities and/or by the County. In the event a customer of Forest Hills violates the County's discharge regulations then that customer shall be responsible for any cost incurred by the County for the violation, including any fine levied by any regulatory agency. Furthermore, Forest Hills agrees to cooperate with the County in any effort to detect and correct violations of the discharge regulations.

F. Coordination of Flows - Forest Hills will cooperate in every possible way with the County to coordinate flows into the plant so that they shall not exceed the permitted per-day maximum for the plant. However, both the County and Forest Hills agree that the ability of Forest Hills to control flows for any significant length of time is substantially limited due to the absence of any storage capacity in its wastewater system.

G. Service Commitment - The County shall use its best efforts to provide the treatment capacity needed by Forest Hills to service its customers. However, the County shall not be liable in damages to Forest Hills as a result of its inability to provide sewer services pursuant to this Agreement when such inability is attributable to equipment failure, regulatory restrictions, or uncontrollable circumstances and the customers of Forest Hills are being affected and treated in a similar manner as customers of the County within the area served by the New Port Richey Wastewater Treatment Plant. The County further agrees with respect to the 225,000 gpd AADF that it will not discriminate in favor of its own

retail customers in the provision of service to the customers of Forest Hills. In the event substantial flooding within Forest Hills service area, arising as a result of a natural disaster as determined by the County, significantly increase flows of Forest Hills above the AADF, then the parties agree appropriate billing adjustments will be made.

H. Public Sewer Collection System - Forest Hills shall, at its expense:

1. Purchase, install, repair, or maintain its entire wastewater collection system, including all sewer lines, pump stations, and other facilities and appurtenances that may be necessary in order to tap into or make connections with the County's wastewater system.

2. Cause to be conducted all investigations and testing that may be required in order for Forest Hills to tap into said system, including all design, construction, repair and maintenance of said connection equipment.

3. Cause all sewer lines, pump stations, and all other facilities required for the connection to the County system to be repaired and maintained in accordance with appropriate County standards and specifications.

I. Permits - Forest Hills shall have the responsibility of securing and maintain all necessary permits from all governmental agencies having regulatory authority of Forest Hills' public sewer collection system. The County shall have the same responsibility as to its sewer system.

Section III. General Provisions.

A. These conditions are binding upon the successors and assignees of the parties hereto. Whenever one (1) party gives notice to the other party concerning any of the provisions of this Agreement, such notice shall be given by certified mail, return receipt required. Said notice shall be deemed given when it is deposited in the United States mail with sufficient postage prepaid (notwithstanding that the return receipt is not subsequently received). Notices shall be addressed as follows:

Pasco County:

County Administrator
Pasco County Government Center
7530 Little Road
New Port Richey, Florida 34654

Forest Hills:

Robert L. Dreher
1518 U.S. Highway 19
Holiday, Florida 33590

These addresses may be changed by giving notice as provided for in this paragraph.

B. No waiver of breach of any of the terms of this Agreement shall be construed to be a waiver of any succeeding breach.

Section IV. Default.

If either party materially fails or defaults in keeping, performing, or abiding by the terms and provisions of this Agreement, then the non-defaulting party shall give written notice to the defaulting party specifying the nature of the default. If the defaulting party does not cure the default within thirty (30) days after the date of written notice, then this Agreement, at the option of the non-defaulting party, shall terminate. In the event

the County elects to terminate pursuant to this Section such termination shall include the cessation of bulk wastewater services. Neither party shall be relieved of liability to the other for damages sustained by virtue of any party wrongfully exercising this provision. This paragraph is not intended to replace any other legal or equitable remedies available to any non-defaulting party under Florida law, but it is in addition thereto. Notwithstanding the foregoing, any failure to make timely payments shall be considered a material default under the terms of this Agreement without the necessity for any written notice to Forest Hills.

Section V. Utility System Charges.

Forest Hills shall fix, revise, maintain, and collect such fees, rates, rentals, or other charge for the use of the products, services and facilities of its utility system as shall be necessary to fund the timely payment of its respective obligations and liabilities under this Agreement. Forest Hills shall maintain its utility system operation and maintenance accounts throughout the term of this Agreement for the purpose of paying its obligations and liabilities hereunder. The County agrees that any increase in the bulk wastewater treatment rate chargeable to Forest Hills shall not take effect until the County has provided Forest Hills with at least ninety (90) days written notice of said increase.

Section VI. Miscellaneous Provision.

A. In the event the parties' performance of this Agreement, other than the payment of money, is prevented or interrupted by

consequent of an act of God, or of the public enemy, or national emergency, allocation, or other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, sinkholes, earthquake, or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of pumping, transmission, or other facilities, governmental rules or acts or orders or restrictions of regulations or requirements, acts or actions of any government, except the County, or public or governmental authority, commission, board, agency, official, or officer, or judgment or a restraining order or injunction of any court, the party shall not be liable for such nonperformance, and the time of performance shall be extended for such time period that the party is diligently attempting to perform.

B. The parties hereto agree that from and after the date of execution hereof, each will, upon the request of the other, execute and deliver such other documents and instruments and take other actions as may be reasonably required to carry out the intent of this Agreement.

C. This Agreement shall not be considered an obligation on the part of the County to perform in any way other than as indicated herein. The County shall not be obligated under the terms of this Agreement to treat additional wastewater from Forest Hills from areas outside of its certificated area or areas which

are not presently served by Forest Hills unless the County issues written notification that it does not object to such additional service. Forest Hills' service area is more specifically identified on Exhibit "C" attached hereto and incorporated herein by reference.

D. This Agreement shall be binding upon the heirs, representatives, and assigns of the parties hereto and the provision hereof shall constitute covenants running with the land for the benefit of the heirs, representatives, and assigns of the party. However, this Agreement shall not be assigned by Forest Hills without the express permission of the County; however, such consent shall not be unreasonably withheld by the County.

E. In the event the County ever elects to exercise its power of eminent domain for the purpose of acquiring all, or any part, of the utility system which may be owned by Forest Hills, the County will not be required to pay Forest Hills for any value which might be attributable to the services provided by the County under the terms of this Agreement. In other words, such services provided by the County under this Agreement shall have no residual value in the event the County seeks to condemn all, or any part, of Forest Hills' system. This shall not be construed as a waiver of any defense, including the defense of lack of authority, Forest Hills may have to such an action by the County or to any claim for compensation as an ongoing business concern. Furthermore, the County agrees that the existence of this agreement shall not be used to reduce the value of Forest Hills Utility as an ongoing

business concern.

F. Term - This agreement shall have a term of twenty-five (25) years commencing on the date of execution of this Agreement. Upon approval of the County, Forest Hills shall have the right to renew this agreement for an additional twenty-five years. Forest Hills shall notify the County within six (6) months prior to the expiration of the initial term of the decision to renew and the County agrees that its approval of such renewal shall not be unreasonably withheld.

G. Forest Hills agrees that immediately upon execution by the County of the Bulk Wastewater Agreement Forest Hills will file the same with the Florida Public Service Commission and, in the event Commission approval is required, Forest Hills shall use its best faith efforts to obtain such approval. Notwithstanding any other provision of the Agreement, in the event the Commission approval of this Agreement is required prior to its effectiveness, the same must be approved in its entirety as a condition precedent to the County's obligations hereunder.

H. Each party acknowledges that it has played an equal role in drafting this agreement and, as a result, in the event of any ambiguity contained herein the same shall not be construed against or in favor of either party.

IN WITNESS WHEREOF, the County and the Utility have executed this Bulk Wastewater Treatment Agreement on the date, month and year first above written.

(SEAL)

BOARD OF COUNTY COMMISSIONERS
OF PASCO COUNTY, FLORIDA

ATTEST:

By _____
Clerk

BY _____
Chairman

WITNESSES:

FOREST HILLS UTILITY, INC.

~~James D. Williams~~
Gene D. Edwards

BY Robert L. Oehr
President.

APPROVED AS TO LEGAL FORM AND CONTENT
Office of the County Attorney

By _____
Attorney

FOREST HILLS UTILITIES, INC.
LOTS COMMITTED TO SEWER SERVICE

1. Turro's property on SR 595
2. Dr. Gill's 8 Acre Island in Forest Hills East
3. John Schlotter's property on SR 595
4. U.S. Hwy 19 (283.50 ft. TR 14 31-26-16-0010-01400-0040)
5. Warehouse property (29-26-16-0010-04000-0000)
6. Corner Berryhill Rd. & SR 595 (29-26-16-0000-00500-0040)
7. Flora Ave. Lot 707, as recorded in Plat book 9, pages 15-16, Forest Hills, Unit 11
8. Parcel lying South of Lot 1014, as recorded in Plat book 10, page 144, Forest Hills, Unit 23, North of Pinellas/Pasco County line.
9. Baroque Dr. Lot 1182, as recorded in Plat book 10, page 22, Forest Hills, Unit 19
10. Riddle Rd. Lot 36, as recorded in Plat book 6, page 64, Riverside Heights
11. Riddle Rd. Lot 37, as recorded in Plat book 6, page 64, Riverside Heights
12. Riddle Rd. Lot 26, as recorded in Plat book 6, page 64, Riverside Heights
13. Flotilla Dr. Lot 3, as recorded in Plat book 6, page 64, Riverside Heights
14. Cheyenne Dr. Lot 5, as recorded in Plat book 1, pages 69-70, Dodge City, Unit 1
15. Cheyenne Dr. Lot 10, as recorded in Plat book 1, pages 69-70, Dodge City, Unit 1
16. Cheyenne Dr. Lot 1591, as recorded in Plat book 11, page 60, Forest Hills, Unit 25
17. Silver Spurs Dr. Lot 44, as recorded in Plat book 1, pages 69-70, Dodge City, Unit 1
18. Silver Spurs Dr. Lot 45, as recorded in Plat book 2, pages 69-70, Dodge City, Unit 1
19. Silver Spurs Dr. Lot 46, as recorded in Plat book 2, pages 69-70, Dodge City, Unit 1
20. Golden Nuggett Dr. Lot 90, as recorded in Plat book 1 pages 69-70, Dodge City, Unit 1
21. Tumbleweed Dr. Lot 4, as recorded in Plat book 13, pages 57-58, Forest Hills East, Unit 1
22. Tumbleweed Dr. Lot 115, as recorded in Plat book 13, pages 57-58, Forest Hills East, Unit 1
23. Cosmos Dr. Lot 48, as recorded in Plat book 13, pages 57-58, Forest Hills East, Unit 1
24. Mariposa Dr. Lot 89, as recorded in Plat book 13, pages 57-58, Forest Hills East, Unit 1
25. Mariposa Dr. Lot 92, as recorded in Plat book 13, pages 57-58, Forest Hills East, Unit 1
26. Mariposa Dr. Lot 93, as recorded in Plat book 13, pages 57-58, Forest Hills East, Unit 1
27. Mariposa Dr. Lot 94, as recorded in Plat book 13, pages 57-58, Forest Hills East, Unit 1
28. Ivy Ln. Lot 237, as recorded in Plat book 15, page 93, Forest Hills East, Unit 3
29. Catskill Rd. Lot 409, as recorded in Plat book 24, page 11, Forest Hills East, Unit 4
30. Flotilla Dr. Lot 1466, (32-26-16-059B-00001-4660)
31. Flotilla Dr. Lot 1465, (32-26-16-059B-00001-4650)
32. Flotilla Dr. Lot 1416, (32-26-16-059B-00001-4570)
33. Park Place Lot 7, (32-26-16-0220-00000-0070)
34. Park Place Lot 8, (32-26-16-0220-00000-0080)

35. Park Place Lot 9, (32-26-16-0220-00000-0090)
36. Park Place Lot 10, (32-26-16-0220-00000-0010)
37. Park Place Lot 11, (32-26-16-0220-00000-0110)
38. Park Place Lot 12, (32-26-16-0220-00000-0120)
39. Park Place Lot 13, (32-26-16-0220-00000-0130)
40. Park Place Lot 14, (32-26-16-0220-00000-0140)
41. Park Place Lot 15, (32-26-16-0220-00000-0150)
42. Park Place Lot 16, (32-26-16-0220-00000-0160)
43. Park Place Lot 17, (32-26-16-0220-00000-0170)
44. Park Place Lot 18, (32-26-16-0220-00000-0180)
45. Park Place Lot 19, (32-26-16-0220-00000-0190)
46. Parcel of land at West end of Forest Hills Golf Course, North of Pinellas/Pasco County line, set aside for future apartments (approx 18)

FOREST HILLS UTILITIES, INC.

Limited Proceeding

Accounting Report

EXHIBIT C

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2360 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 34625-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

November 25, 1996

Officers and Directors
Forest Hills Utilities, Inc.

In accordance with your request, we have prepared the accompanying Special Report of Forest Hills Utilities, Inc. This report is intended solely for use as part of a limited proceeding application for utility rate increases, to be filed with the Florida Public Service Commission, relating to recovery of purchased wastewater and other costs associated with the tie-in with the Pasco County Wastewater System.

Because this Special Report was not audited by us, we do not express an opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

**Forest Hills Utilities, Inc.
Description and Summary of Tie-In
With Pasco County for Purchased Wastewater Treatment**

On February 12, 1993, Forest Hills Utilities, Inc. entered into a Stipulated Settlement Agreement with the Florida Department of Environmental Regulation (DER) in Case No. CA90 3575, Sixth Judicial Circuit Court, Pasco County, Florida.

The settlement resolved enforcement proceedings originally related to an unpermitted discharge which resulted in an October, 1985 Consent Order between the Utility and DER. That 1985 order required that the percolation pond be renovated to provide for more efficient percolation so that unpermitted discharge would not continue. Although Forest Hills constructed sand filters and a French drain system, DEP did not believe that the improvements met the conditions of the Consent Order. On August 2, 1990, a Petition for Enforcement and Complaint was filed by DER against Forest Hills and its president, Robert L. Dreher, to enforce compliance with the 1985 Consent Order.

Under the terms of the Stipulated Settlement Agreement, the parties agreed that Forest Hills could choose one of two possible solutions to DER requirements: (1) Renovate and or reconstruct the existing treatment plant (which may include the idea of constructing an entirely new plant); or (2) connect the Utility to an outside regional, county or municipal system and terminate the operation of the existing wastewater treatment plant.

Both parties agreed that connection to an outside county or municipal system was the preferred solution. In particular, the Utility was actively pursuing connection with the City of Tarpon Springs, whose facilities were closest to Forest Hills. At the time, 1993, Pasco County's closest tie-in point was approximately two miles from the Utility.

Although intense negotiations between Forest Hills and the City of Tarpon Springs resulted in a draft bulk Service Agreement, the agreement was rejected by the Tarpon Springs City Council.

In mid 1994, the Utility learned that Pasco County was planning an extension of its US-19 force main to a point contiguous to Forest Hills' service area and opened negotiations for a bulk Wastewater Agreement. Although it would take approximately 18 months for the County to extend its force main, Forest Hills could still meet the timetable contained in the Stipulated Settlement Agreement.

In April, 1995, Forest Hills signed a bulk Wastewater Treatment Service Agreement with Pasco County, which was approved by the County Commission on April 4, 1995. Under the terms of the agreement (25 year term), Pasco County would extend its force main and build a master pump station. Forest Hills would construct a force main from its system to the master

pump station and reimburse the County for its prorata share of costs, in the amount of \$100,000. The County would treat up to .225 mgd based on annual average daily flow. Forest Hills would also pay for the cost and installation of a flow meter. The Utility would pay the County's bulk rate which is currently \$3.23 per 1,000 gallons.

On November 15, 1996, Pasco County completed its facilities, and Forest Hills intends to connect as soon as rates including the cost of purchased wastewater treatment are approved by the Commission.

The purpose of this proceeding is to obtain an emergency interim rate increase to enable Forest Hills to pay the County for purchased sewage treatment and to obtain permanent rates which recognize the change in operations.

**Forest Hills Utilities, Inc.
 Additional Revenue Requirement and
 Proposed Increase to Existing Rates For
 Pasco County Force Main Tie-in and Purchased Sewage Costs**

Line No.	Component	Reference Schedule No.	Increase In Cost
1	Operation & Maintenance expense	4	\$ 178,141
2	Depreciation	5	4,158
3	Taxes other than income	6	2,418
4	Amortization of plant abandonment costs	7	<u>17,028</u>
5	Additional operating expenses		202,843
6	Required rate of return	8	<u>13,878</u>
7	Total additional expense and return before		
8	Regulatory Assessment Fees (RAF's)		216,321
9	Divide by RAF expansion factor		<u>0.955</u>
10	Total additional revenue requirement		<u>\$ 226,514</u>
11	Divide by annualized revenue	11	<u>\$ 218,922</u>
12	Percentage increase in revenue and rates required		<u>103.47%</u>

Forest Hills Utilities, Inc.
 Schedule of Present & Proposed Rates
 Pasco County Force Main Tie-in

Line No.		Monthly Rates	
		Present	Proposed
1	Sewer (103.47% increase)		
2	Residential		
3	Base facility charges		
4	All meter sizes	\$ 9.24	\$ 18.80
5	Gallonge charges per 1,000 gallons		
6	(Maximum of 10,000 gallons)	1.29	2.62
7	Commercial		
8	Base facility charges:		
9	5/8" x 3/4"	9.24	18.80
10	1"	23.09	46.98
11	1 1/2"	45.83	93.25
12	2"	73.91	150.38
13	3"	147.81	300.75
14	4"	230.93	459.87
15	6"	461.92	939.87
16	Gallonge charge per 1,000 gallons	1.29	2.62

Forest Hills Utilities, Inc.
 Estimated Change in Operations & Maintenance Expense
 Pasco County Force Main Tie-In

Line No.		Actual Year End 7/31/96	Proforma Adjustments		Proforma Year End 7/31/96
			Reductions	Additions	
1	A) <u>Salaries & Wages</u>				
2	Larry - Plant & LS Maint.	5,227	\$ (5,227)		(5,227)
3	John - Maint. Helper	4,205	(4,205)		(4,205)
4	Casual Labor	854	(854)		(854)
5		<u>10,286</u>	<u>(10,286)</u>		<u>(10,286)</u>
6	B) <u>Purchased Sewage Treatment</u>				
7	Pasco County (Schedule No. 10)			\$ 257,738	257,738
8	C) <u>Sludge Removal Expense</u>				
9	Hauling/Disposal	20,165	(20,165)		(20,165)
10	D) <u>Purchased Power</u>				
11	Sewer Plant	19,120	(19,120)		(19,120)
12	E) <u>Chemicals</u>				
13	Treatment Plant	13,109	(13,109)		(13,109)
14	F) <u>Materials & Supplies</u>				
15	Plant Structures	486	(486)		(486)
16	Rapidrain Pump	1,063	(1,063)		(1,063)
17	Rapidrain Blowers	1,578	(1,578)		(1,578)
18	Plant Equipment	1,790	(1,790)		(1,790)
19		<u>4,917</u>	<u>(4,917)</u>		<u>(4,917)</u>
20	G) <u>Contract Services</u>				
21	Sewer Operations	12,000	(12,000)		(12,000)
22	Total	<u>\$ 79,597</u>	<u>\$ (79,597)</u>	<u>\$ 257,738</u>	<u>\$ 178,141</u>

Forest Hills Utilities, Inc.
 Schedule of Depreciation Expense
 Pasco County Force Main Tie-in

Line No.		Cost of Facilities	Depreciation Rate	Depreciation Expense
1	Cost of new force main			
2	(Schedule No. 9)	\$ 217,720	3.3%	\$ 7,185
3	Cost of retired plant	<u>(121,173)</u>	2.5%	<u>(3,029)</u>
4		<u>\$ 96,547</u>		<u>\$ 4,156</u>

Forest Hills Utilities, Inc.
 Schedule of Taxes Other Than Income
 Pasco County Force Main Tie-in

<u>Line No.</u>		
1	<u>Tangible Property Taxes</u>	
2	Estimated cost of force main	\$ 217,720
3	Net book value of property retired	<u>(70,966)</u>
4	(Schedule No. 7)	
5	Net increase in taxable property	146,754
6	Current Pasco County Millage rate	<u>0.021841</u>
7	Total increase in taxes other than income	<u>\$ 3,205</u>
8	<u>Payroll Taxes</u>	
9	Reduction in salaries	\$ (10,285)
10	FICA rate	<u>0.0765</u>
11	Total reduction in payroll taxes	<u>\$ (767)</u>
12	Total increase in taxes other than income	<u>\$ 2,418</u>

Forest Hills Utilities, Inc.
Plant Abandonment Cost and Annual Amortization

Line No.	NARUC Account	Historic Cost of Plant	Accumulated Depreciation	Loss on Abandonment
1	<u>Calculation of Loss on Plant Abandonment</u>			
2	353.4 Land and Land Rights	\$ 500		\$ 500
3	354.4 Structures & Improvements	1,000	\$ (541)	459
4	380.4 Treatment & Disposal Equipment	119,973	(50,058)	69,915
5	382.4 Outfall Sewer Lines	200	(108)	92
6		<u>\$ 121,673</u>	<u>\$ (50,707)</u>	70,966
7	Cost of removal			<u>90,382</u>
8	Total abandonment costs			<u>\$ 161,348</u>
9	<u>Calculation of Annual Amortization</u>			
10	Net loss per above			\$ 161,348
11	Rate of return (Schedule No. 12)			<u>9.78%</u>
12	Annual return on loss			<u>\$ 15,780</u>
13	Annual depreciation on abandoned plant (1)			<u>\$ 3,029</u>
14	Total annual return and depreciation			<u>\$ 18,809</u>
15	Total loss on abandonment			\$ 161,348
16	Divide by annual return and depreciation			<u>18,809</u>
17	Amortization period			<u>9 Years</u>
18	Requested annual amortization over 8 Years			<u>\$ 17,928</u>
19	<u>Note (1) Annual Depreciation as Follows:</u>			
20		Historic Cost	Rate	Annual Depreciation
21				
22	Structures and improvements	1,000	2.5%	\$ 25
23	Treatment and Disposal Equipment	119,973	2.5%	2,999
24	Outfall Sewer Lines	200	2.5%	5
25	Total Annual Depreciation			<u>\$ 3,029</u>

Forest Hills Utilities, Inc.
 Required Rate of Return on Net Invested Plant
 Pasco County Force Main

<u>Line No.</u>		
1	<u>Required Rate of Return</u>	
2	Cost of Pasco County force main,	
3	meter, and lift station	\$ 217,720
4	One year depreciation	<u>(7,185)</u>
5		<u>210,535</u>
6	Cost of plant retired	121,673
7	Less: Acc. Deprec.	<u>(50,707)</u>
8		<u>70,966</u>
9	Net additional investment	139,569
10	Rate of return (Schedule No. 12)	<u>9.80%</u>
11	Additional Rate of Return	<u>\$ 13,878</u>

Forest Hills Utilities, Inc.
 Estimated Plant Costs
 Pasco County Force Main Tie-in

Line No.	NARUC Account		Cost	Engineering Allocated	Total
1	360.2	<u>Collection Sewers - Force</u>			
2		Pasco County costs	\$ 100,000		
3		Fiona Ave Main	69,755		
4		Labor & Equipment	<u>13,060</u>		
5		Total	<u>182,815</u>	\$ 13,234	\$ 196,049
6	364.2	<u>Flow Meter</u>			
7		Cost of meter	<u>12,000</u>	869	<u>12,869</u>
8	371.3	<u>Pumping Equipment</u>			
9		Rebuild lift station	<u>8,208</u>	594	<u>8,802</u>
10		Total estimated costs	<u>\$ 203,023</u>	<u>\$ 14,697</u>	<u>\$ 217,720</u>

**Forest Hills Utilities, Inc.
 Proforma Purchased Sewage Treatment Costs
 and Gallons Treated and Sold
 12 Months Ended July 31, 1996**

<u>Line No.</u>		<u>Gallons Treated (000)</u>	<u>Gallons Sold (000)</u>
1	August, 1995	7,029	5,104
2	September, 1995	6,781	6,010
3	October, 1995	7,921	4,922
4	November, 1995	6,870	5,835
5	December, 1995	7,553	5,997
6	January, 1996	6,814	5,983
7	February, 1996	6,723	6,437
8	March, 1996	6,521	6,589
9	April, 1996	6,411	6,039
10	May, 1996	6,504	5,724
11	June, 1996	5,828	5,854
12	July, 1996	<u>5,840</u>	<u>5,576</u>
13	Total treated/Sold	79,795	<u><u>69,072</u></u>
14	Bulk wastewater rate (1)	<u>\$ 3.23 K gal.</u>	
15	Total annualized expense	<u>\$ 257,738</u>	
16	(1) Bulk wastewater treatment rate per Pasco County letter dated		
17	December 13, 1995, rate effective October 1, 1996.		

EXHIBIT C
 Page 12 of 19

Forest Hills Utilities, Inc.
 Annualized Wastewater Revenue
 For the 12 Months Ended July 31, 1996

Line No.	Month	Residential	Commercial	Multi-Family	Public Authority	Total
1	August, 1995	\$ 13,936	\$ 2,819	\$ 620	\$ 19	\$ 17,394
2	September, 1995	14,028	2,857	355	24	17,262
3	October, 1995	13,546	3,227	443	17	17,233
4	November, 1995	14,567	3,307	410	14	18,328
5	December, 1995	13,937	4,006	549	24	18,516
6	January, 1996	14,038	4,102	415	18	18,573
7	February, 1996	14,436	4,230	473	21	19,160
8	March, 1996	14,807	4,065	428	18	19,338
9	April, 1996	14,231	3,873	457	19	18,560
10	May, 1996	14,761	2,953	440	19	18,173
11	June, 1996	14,673	3,099	565	23	18,360
12	July, 1996	<u>14,627</u>	<u>2,878</u>	<u>482</u>	<u>18</u>	<u>18,005</u>
13	Total	<u>\$ 171,615</u>	<u>\$ 41,436</u>	<u>\$ 5,637</u>	<u>\$ 234</u>	<u>\$ 218,922</u>

EXHIBIT C
 Page 13 of 19

Forest Hills Utilities, Inc.
 Annualized Wastewater Revenue - Residential
 For the 12 Months Ended July 31, 1996

Line No.		No. of Bills	Gallons Sold (000) (1)	Base Charge at Present Rates	Gallage Charge at Present Rates	Total Revenue at Present Rates
1	August, 1995	997	3,662	\$ 9,212	\$ 4,724	\$ 13,936
2	September, 1995	1,000	3,724	9,222	4,804	14,026
3	October, 1995	1,004	3,309	9,277	4,269	13,546
4	November, 1995	998	4,167	9,222	5,375	14,597
5	December, 1995	997	3,663	9,212	4,725	13,937
6	January, 1996	1,004	3,691	9,277	4,761	14,038
7	February, 1996	1,005	3,992	9,288	5,150	14,438
8	March, 1996	1,003	4,294	9,268	5,539	14,807
9	April, 1996	999	3,878	9,231	5,000	14,231
10	May, 1996	1,000	4,280	9,240	5,521	14,761
11	June, 1996	1,003	4,190	9,268	5,405	14,673
12	July, 1996	1,003	<u>4,154</u>	9,268	5,359	<u>14,627</u>
13	Total		<u>47,002</u>			<u>\$ 171,815</u>

14 (1) Maximum of 10,000 gallons per month per bill.

EXHIBIT C
 Page 14 of 19

Forest Hills Utilities, Inc.
Annualized Wastewater Revenue - Commercial
For the 12 Months Ended July 31, 1996

Line No.	Month	Meter Size	No. of Bills	Gallons Sold (000)	Base Charge at Present Rates	Gallage Charge at Present Rates	Total Revenue at Present Rates
1	August, 1995	5/8" x 3/4"	48	452	\$ 444	\$ 583	\$ 1,027
2		1"	2	63	46	81	127
3		1 1/2"	4	150	183	194	377
4		2"	2	157	148	203	351
5		6"	1	368	462	475	937
6					<u>1,190</u>		
7	September, 1995	5/8" x 3/4"	47	529	434	682	\$ 1,116
8		1"	2	68	46	88	134
9		1 1/2"	4	167	183	215	398
10		2"	2	192	148	248	396
11		6"	1	272	462	351	813
12					<u>1,228</u>		
13	October, 1995	5/8" x 3/4"	48	601	444	775	\$ 1,219
14		1"	2	45	46	58	104
15		1 1/2"	4	141	183	182	365
16		2"	2	142	148	183	331
17		6"	1	578	462	748	1,208
18					<u>1,507</u>		
19	November, 1995	5/8" x 3/4"	47	408	434	526	\$ 960
20		1"	2	40	46	52	98
21		1 1/2"	4	50	183	85	248
22		2"	2	96	148	124	272
23		6"	1	962	462	1,267	1,729
24					<u>1,578</u>		
25	December, 1995	5/8" x 3/4"	48	832	425	1,073	\$ 1,498
26		1"	2	52	46	67	113
27		1 1/2"	4	342	183	441	624
28		2"	2	244	148	315	463
29		6"	1	656	462	846	1,308
30					<u>2,128</u>		
31	January, 1996	5/8" x 3/4"	47	630	434	613	\$ 1,247
32		1"	2	32	46	41	87
33		1 1/2"	4	201	183	259	442
34		2"	2	144	148	166	334
35		6"	1	1,166	462	1,530	1,992
36					<u>2,193</u>		

EXHIBIT C
Page 15 of 19

Forest Hills Utilities, Inc.
 Annualized Wastewater Revenue - Commercial
 For the 12 Months Ended July 31, 1996

Line No.	Month	Meter Size	No. of Bills	Gallons Sold (000)	Base Charge at Present Rates	Gallagege Charge at Present Rates	Total Revenue at Present Rates
1	February, 1996	5/8" x 3/4"	46	740	\$ 425	\$ 955	\$ 1,380
2		1"	2	38	46	49	95
3		1 1/2"	4	272	183	351	534
4		2"	2	159	148	205	353
5		6"	1	1,090	462	1,408	1,868
6				<u>2,299</u>			<u>\$ 4,230</u>
7	March, 1996	5/8" x 3/4"	46	637	425	822	\$ 1,247
8		1"	2	35	46	45	91
9		1 1/2"	4	254	183	328	511
10		2"	2	119	148	154	302
11		6"	1	1,141	462	1,472	1,934
12				<u>2,186</u>			<u>\$ 4,085</u>
13	April, 1996	5/8" x 3/4"	45	660	416	851	\$ 1,267
14		1"	2	34	46	44	90
15		1 1/2"	4	258	183	333	516
16		2"	2	153	148	197	345
17		6"	1	925	462	1,193	1,655
18				<u>2,030</u>			<u>\$ 3,873</u>
19	May, 1996	5/8" x 3/4"	45	583	416	752	\$ 1,168
20		1"	2	36	46	46	92
21		1 1/2"	4	256	183	330	513
22		2"	2	136	148	175	323
23		6"	1	306	462	395	857
24				<u>1,317</u>			<u>\$ 2,953</u>
25	June, 1996	5/8" x 3/4"	45	678	416	875	\$ 1,291
26		1"	2	42	46	54	100
27		1 1/2"	4	215	183	277	460
28		2"	2	174	148	224	372
29		6"	1	321	462	414	878
30				<u>1,430</u>			<u>\$ 3,099</u>
31	July, 1996	5/8" x 3/4"	45	552	416	712	\$ 1,128
32		1"	2	28	46	36	82
33		1 1/2"	4	165	183	213	396
34		2"	2	110	148	142	290
35		6"	1	403	462	520	982
36				<u>1,258</u>			<u>\$ 2,878</u>
37	Total			<u>20,340</u>			<u>\$ 41,438</u>

EXHIBIT C
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Forest Utilities, Inc.
 Annualized Wastewater Revenue - Multi-Family
 For the 12 Months Ended July 31, 1996

Line No.	Month	Meter Size	No. of Bills	Gallons Sold (000)	Base Charge at Present Rates	Gallage Charge at Present Rates	Total Revenue at Present Rates
1	August, 1995	5/8" x 3/4"	33	244	\$ 305	\$ 315	\$ 620
2	September, 1995	5/8" x 3/4"	32	46	296	59	355
3	October, 1995	5/8" x 3/4"	34	100	314	129	443
4	November, 1995	5/8" x 3/4"	32	88	296	114	410
5	December, 1995	5/8" x 3/4"	32	196	296	253	549
6	January, 1996	5/8" x 3/4"	32	92	296	119	415
7	February, 1996	5/8" x 3/4"	32	137	296	177	473
8	March, 1996	5/8" x 3/4"	32	102	296	132	428
9	April, 1996	5/8" x 3/4"	32	125	296	161	457
10	May, 1996	5/8" x 3/4"	31	119	286	154	440
11	June, 1996	5/8" x 3/4"	30	223	277	288	565
12	July, 1996	5/8" x 3/4"	30	159	277	205	482
13	Total			<u>1,631</u>			<u>\$ 5,637</u>

EXHIBIT C
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Forest Utilities, Inc.
Annualized Wastewater Revenue - Public Authority
For the 12 Months Ended July 31, 1996

Line No.	Month	Meter Size	No. of Bills	Gallons Sold (000)	Base Charge at Present Rates	Gallage Charge at Present Rates	Total Revenue at Present Rates
1	August, 1995	5/8" x 3/4"	1	8	\$ 9	\$ 10	\$ 19
2	September, 1995	5/8" x 3/4"	1	12	9	15	24
3	October, 1995	5/8" x 3/4"	1	6	9	8	17
4	November, 1995	5/8" x 3/4"	1	4	9	5	14
5	December, 1995	5/8" x 3/4"	1	12	9	15	24
6	January, 1996	5/8" x 3/4"	1	7	9	9	18
7	February, 1996	5/8" x 3/4"	1	9	9	12	21
8	March, 1996	5/8" x 3/4"	1	7	9	9	18
9	April, 1996	5/8" x 3/4"	1	8	9	10	19
10	May, 1996	5/8" x 3/4"	1	8	9	10	19
11	June, 1996	5/8" x 3/4"	1	11	9	14	23
12	July, 1996	5/8" x 3/4"	1	<u>7</u>	9	9	<u>18</u>
13	Total			<u>99</u>			<u>\$ 234</u>

EXHIBIT C
Page 18 of 19

Forest Hills Utilities, Inc.
 Cost of Capital
 July 31, 1996

Line No.		Total Capital	Percent Ratio	Cost of Each Percent	Weighted Cost
1	Long Term Debt	\$ 30,000	4.95%	12.00%	0.59%
2	Customer Deposits	103,935	17.17%	6.00%	1.03%
3	Common Equity (2)	<u>471,551</u>	<u>77.88%</u>	10.50%	<u>8.18%</u>
4	Total	<u>\$ 605,486</u>	<u>100.00%</u>		<u>9.80%</u>

5 Notes: (1) Calculation of water rate base is outside of the scope of this proceeding;
 6 therefore, no reconciliation of capital structure to rate base was made.

7 (2) $9.05\% + (1.131\%/77.88) = 9.05\% + 1.45\% = 10.50\%$

FOREST HILLS UTILITIES, INC.

Limited Proceeding

Explanation of Salary and Wage Reductions

EXHIBIT D

FOREST HILLS UTILITIES, INC.
Limited Proceeding Wastewater Rate Increase

EXPLANATION OF SALARY AND WAGE REDUCTIONS

Three areas of salaries and wages in Schedule No. 4 have been reduced based upon the anticipated elimination of the wastewater treatment facilities currently operated by Forest Hills Utilities, Inc. at the time of its interconnection with the Pasco County wastewater treatment system and implementation of bulk wastewater service from the County:

Plant and Lift Station Maintenance - The plant and lift station maintenance position currently provides labor for the wastewater and water treatment plants and lift stations. Due to elimination of the wastewater treatment plant, the services for the wastewater plant will no longer be required and those duties related to that portion of wastewater service will be eliminated. This position is held by a person whose salary is related not only to plant and lift station maintenance, but also to collection system maintenance and water plant and distribution system maintenance. As such, only that portion of the plant and lift station maintenance person's salary specifically allocated to wastewater treatment and disposal expenses and maintenance has been removed. \$ 5227

Maintenance Helper - The maintenance helper position provides assistance to the primary plant and lift station maintenance person described above in all repair and maintenance duties. The person holding this position will continue to provide services related to wastewater collection system maintenance and repair, as well as to water plant and distribution system operations. Therefore, that portion of the maintenance helper's salary allocated to treatment and disposal expenses and maintenance per the Utility's books has been eliminated as with the position above. \$ 4205

Casual Labor - Forest Hills Utilities has employed individuals during the summer months to perform routine maintenance and housekeeping functions such as cleaning and painting of tank facilities. Because of the elimination of those plant facilities, the Utility does not foresee the need for such casual labor with the retirement of the wastewater treatment plant and is reducing the casual labor included within salaries and wages section of the treatment and disposal operations and maintenance expenses accordingly. \$ 854

TOTAL REDUCTION \$10,286

FOREST HILLS UTILITIES, INC.
Limited Proceeding

Tariffs

EXHIBIT E

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For wastewater service to all customers for which no other schedule applies.

LIMITATIONS - Subject to all Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 18.80
1"	46.98
1-1/2"	93.25
2"	150.38
3"	300.75
4"	469.87
6"	939.87

Charge per 1,000 gallons \$ 2.62

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within (20) days. After five (5) working days written notice, service may then be discontinued. (Written notice is to be mailed to the customer separate and apart from any other bill.)

EFFECTIVE DATE -

Robert L. Dreher
ISSUING OFFICER

TYPE OF FILING - Limited Proceeding

President
TITLE

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For sewer service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the rules and regulations of this tariff and general rules and regulations of the Commission.

RATE - \$ 18.80 per month

GALLONAGE CHARGE - \$ 2.62 per 1,000 Gallons applied to a maximum of 10,000 gallons per month water usage.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, separate and apart from any bill, service may then be discontinued.

EFFECTIVE DATE -

Robert L. Dreher
ISSUING OFFICER

TYPE OF FILING - Limited Proceeding

President
TITLE