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**December 7, 2000**  
**VIA HAND DELIVERY**

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Jason Fudge, Esquire  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0873

Re: Aloha Utilities, Inc.; PSC Docket No. 991643-SU  
Petition for Wastewater Rate Increase for its Seven Springs System Customers in Pasco County,  
Florida  
Our File No. 26038.30

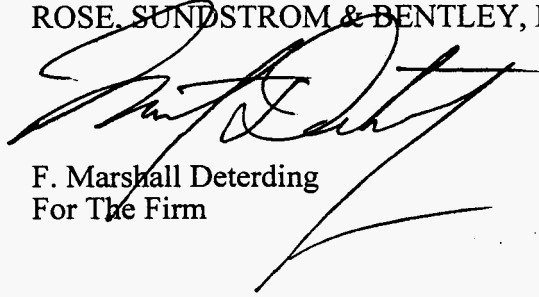
Dear Jason:

Attached is a faxed copy of the Escrow Agreement which has been executed by the Utility and the bank. The original of will be hand delivered to the Clerk's office tomorrow morning. I wanted you to have a copy as early as possible, so that everything can be finalized tomorrow. We will need the tariffs that I submitted to you last Friday, approved and dated with tomorrow's date in order to accommodate the implementation date previously discussed, and the date contained on the notice which has already been sent to the customers.

If you have any comments, questions or concerns with the Escrow Agreement as supplied, please let me know. Otherwise, I will get the original over to the Clerk's office with a copy to you as soon as I receive it tomorrow morning.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding  
For The Firm

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP FMD/tmg  
COM cc: Blanca S. Bayo, Director  
CTR Merschel Ralph Jaeger, Esq.  
ECR Merschel Stephen G. Watford, President  
LEG \_\_\_\_\_ Robert C. Nixon, CPA  
OPC \_\_\_\_\_  
PAI aloha3017fudge.ltr  
RGO \_\_\_\_\_  
SEC 1  
SER \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

**15762 DEC-7 00**

FPSC-RECORDS/REPORTING



## ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between *AmSouth Bank* ~~Bank of America~~ (the "Bank"), the Florida Public Service Commission ("FPSC"), and Aloha Utilities, Inc. (the "Utility"), a Florida corporation, upon the following terms, conditions and considerations:

## W I T N E S S E T H:

WHEREAS, Aloha Utilities, Inc. filed its application for increased wastewater rates for its Seven Springs system on April 4, 2000, and;

WHEREAS, pursuant to the provisions of Chapter 367.081(6), Florida Statutes, a utility is authorized to implement its requested rates if the Commission has not rendered final action in that case within eight months of the official date of filing.

WHEREAS, April 4, 2000 was established as the official date on which Aloha filed its application for increased wastewater rates in its Seven Springs system and;

WHEREAS, eight months has now passed since the official date of filing and Aloha wishes to implement the rates requested in its original application, effective on December 8, 2000 and;

WHEREAS, pursuant to the provisions of Section 367.081(6), Florida Statutes the Utility must implement those rates under appropriate security, including among other alternatives, escrow of all such increases and;

WHEREAS, the Bank has agreed to hold such funds in an interest bearing account, the parties agree as follows:

1. The foregoing representations are true and correct.
2. The difference between the prior approved rates for Aloha's Seven Springs wastewater system and the increased rates being implemented as of December 8, 2000 (those requested in Aloha's original application), shall be deposited by the Utility in an escrow account held by the Bank.
3. The escrow account shall bear interest at the prevailing rate.
4. No funds will be withdrawn from the escrow account without the signature of both the Director of the Division of Records and Reporting of the FPSC and the President of the Utility. Signature cards executed by the Director of the Division of Records and Reporting of the FPSC and the President of the Utility shall designate the appropriate authorized signature for each.
5. The Bank shall forward regular monthly statements (including canceled checks) to the Utility and shall mail a copy of the monthly account statement to the FPSC, Attn: Blanca S. Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard 32399-0850.

- 6. The Bank may, without reason, withdraw from this Agreement upon thirty (30) days written notice to the FPSC and to the Utility.
- 7. The Utility shall indemnify and hold the Bank harmless from any claim, demand or loss suffered by the Bank, and the cost thereof (including court costs and attorney fees for negotiation, trial and appeal).
- 8. This escrow account is established pursuant to the provisions of Section 367.081(6), Florida Statutes for the benefit of the Utility's customers, in the event that the final rates approved by the Commission are less than those implemented by Aloha on December 8, 2000.
- 9. Information concerning the escrow account shall be available from the Bank to the FPSC and its representatives at all times.
- 10. Pursuant to Cosentino v. Elson, 263 So.2d 253 (Fla. 3rd DCA 1972), escrow accounts are not subject to garnishment.

THIS AGREEMENT shall become effective and binding upon all parties upon the date that it becomes executed by all parties.

ALOHA UTILITIES, INC.

BY: Stephen Watford  
Stephen Watford, President

(Corporate Seal)

AmSouth BANK

BY: G. M. Carrubba

(Corporate Seal)

FLORIDA PUBLIC SERVICE COMMISSION

BY: \_\_\_\_\_  
Director, Records & Reporting

(Seal)



# Account Package (Non-Personal Checking/Savings Services)

Florida		Holiday		322	
BANK NAME		BRANCH NAME		BRANCH NO.	
Aloha Utilites, Inc.				59-1299038	
CUSTOMER NAME				FEDERAL TAX ID#	
2514 Aloha Place, Holiday, Florida 34691					
CUSTOMER ADDRESS					
727 937-4275					
PRIMARY PHONE		SECONDARY PHONE		OFFICER NUMBER	
Please check appropriate box: <input type="checkbox"/> Individual/Sole Proprietor <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other					

If this account is a proprietorship or partnership account, the person(s) signing below: (a) authorize the bank named above (the "Bank") to open the account noted below in the name of the proprietorship/partnership listed on this application for the account; (b) agrees to be bound by the terms of the Bank's customer agreement, rules and regulations, and schedule of charges, as now in force and as amended from time to time hereafter, related to the account noted below; and (c) acknowledges receipt of a copy of the applicable customer agreement now in force.

If this is a partnership account, it is also agreed that: (a) each of the persons signing below is a general and not a limited partner, unless otherwise noted on this form and other documents which may be required, and that there are no other partners; (b) each signator indicated below has full authority to represent, sign for, and bind the partnership; and (c) the authority of each partner, unless otherwise indicated, shall be binding upon the partnership and every member thereof, notwithstanding any death, dissolution, or other circumstances until written notice of revocation of such authority from one of them shall have been received by the Bank.

If this account is a corporation or organization account, it is agreed that the Certified copy of Resolution of the Board of Directors shall be a part of the applicable customer agreement for the account noted below. By signing below, the authorized signators for such an account: (a) agrees that the corporation or organization shall be bound by the terms of the Bank's customer agreement, rules and regulations, and schedule of charges, as now in force and as amended from time to time hereafter, related to the account noted below; and (b) acknowledges receipt of a copy of the applicable customer agreement now in force.

If this account is established by a Limited Liability Company (LLC) it is agreed that: (a) the party or parties named below serve as a manager or member of the LLC or have been expressly appointed in writing by a manager or member of the LLC to handle banking transactions for the LLC; (b) each party has full authority to represent, sign for and bind the LLC; (c) the authority of each person so named shall continue until written notice of revocation of such authority in form and content satisfactory to the Bank shall have been received by the Bank and (d) the LLC acknowledges receipt of and agrees to be bound by the Bank's customer agreement, rules and regulations and pricing schedules as are now in force and as may be amended from time to time in the future.

If this account is a Public Funds Account held by a public entity, it is also agreed that each of the persons signing below has been authorized by the public entity to act for it in opening this account and in making the following representations: (a) the public entity agrees to be bound by the rules of the Bank in relation to the AmSouth Public Funds Account as now in force and as they may be amended from time to time hereafter and hereby acknowledges receipt of a copy of the applicable rules as now in force; and (b) the public entity hereby certifies: (i) that its funds are derived solely from tax dollars and (ii) that it is a governmental entity or an organization not operated for profit and operated primarily for educational or other similar purposes.

The Bank is authorized to pay checks, drafts, notes or other orders of withdrawal, or to receive the same for credit of, or in payment from the payee, or any other legal holder when so signed, without inquiry into the circumstances of issue or the disposition of their proceeds, whether drawn to the individual order or tendered in payment of individual obligations of the person(s) signing below or otherwise. The Bank is authorized to supply any endorsement for the proprietorship/partnership/corporation/organization/public entity on any check or other instrument tendered for deposit to this account and it is hereby relieved of any liability in connection with collection of such items which are handled by it without negligence and it shall not be liable for the acts of its agents, sub-agents or others or for any casualty. Any amount not collected on items deposited to this account may be charged back to this account, including expenses incurred, and any other outside expense incurred on account of this account, including reasonable attorneys' fees, may be charged to it. All operating fees not collected may also be charged back to this account or, if grouped, the account to charge.

### Signature Card

Account Title	Aloha Utilities, Inc.	Account Number	
and	Escrow Account	Account Type	
Mailing Address	2514 Aloha Place Holiday, Florida 34691		
Signature		Type or Print Name & Title	Stephen G. Watford Aloha Utilites, Inc.
			Blanca S. Bayo FL. Public Service Commission
The signature(s) appearing above is/are duly authorized signature(s) of this proprietorship/partnership/corporation/organization/public entity which the Bank will recognize in the payment of funds and the transaction of other business for this account.			
Checks, drafts, acceptance, notes and other transactions must bear <u>Two (2)</u> of the within mentioned signatures.			

## Thank you for banking with AmSouth!

### Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Note - You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Customer Signature Date 12/06/00

Distribution Checking: Original - CMI Operations  
Copy - Customer  
Distribution Savings: Original - Branch  
2nd Signed Copy - CMI Operations  
Copy - Customer

07.00 09:01a



Authorization of Corporation, Partnership, Association or Other Entity to Utilize Deposit or Fee-Based Services

At a meeting of the X Board of Directors, Board of Trustees, partners, other (please specify)

of Aloha Utilities, Inc. held on the 6th day of December, 2000, at which a quorum was present, the following resolutions were adopted:

RESOLVED, that Aloha Utilities, Inc. (the "Organization") hereby authorizes AmSouth Bank (the "Bank") to provide the following accounts, products or services as indicated below; and that the following resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been received by the Bank, and the receipt of said notice shall not affect any action taken by the Bank prior thereto;

RESOLVED, that the Bank be named as a depository of the Organization and, in the case of all depository accounts on which checks, drafts, and/or notes may be written as provided in the Rules and Regulations of the Bank with respect to that type of account as now in force or as may be amended from time to time by the bank, the funds deposited with the bank may be withdrawn upon a written check, draft, note or order of the Organization signed by any of the following:

Stephen G. Watford, President Aloha Utilities, Inc.
Blanca S. Bayo, Director FL. Public Service Commission

Handwritten signature of Stephen G. Watford with label SPECIMEN SIGNATURE

and countersigned by any of the following:

Table with columns: NAME, TITLE, SPECIMEN SIGNATURE

In the case of depository accounts from which withdrawals may be made upon oral orders as provided in the Rules and Regulations of the Bank with respect to that type of account now in force or as they may be amended from time to time by the Bank, funds deposited with the bank in such accounts may be withdrawn by oral order of any one of the following:

Table with columns: NAME, TITLE

The Bank is authorized to pay checks, drafts, notes or other orders of withdrawal, or to receive the same for credit of, or in payment from the payee, or any other legal holder when so signed, without inquiry into the circumstances or the disposition of their proceeds, whether drawn to the individual order or tendered in payment of individual obligations of the officers above named, or other officers of the Organization, or otherwise.

The Bank is further authorized in the case of depository accounts from which oral orders may be made (including oral orders made by telephone) to honor oral orders (including oral orders made by telephone) in accordance with the Rules and Regulations of the bank with respect to that type of account or telephone transfers as now in force and as they may be amended from time to time by the Bank.

RESOLVED, that since the bank has no way of determining the validity of checks or other written orders bearing facsimile signatures, the Organization hereby releases the Bank from any liability for unauthorized use of the Organization's facsimile signature device.

RESOLVED, that if this resolution pertains to an interest bearing checking account, then the Organization hereby certifies that all deposits in the account are held for the benefit of individuals or governmental entities or not-for-profit organizations operated primarily for religious, philanthropic, charitable, educational or other similar purposes.

RESOLVED, that unless specifically modified below, any one of the above signatories is authorized to enter agreements with the Bank and to do any and all other acts required for the Organization to obtain Treasury Management Services. These services include, but are not limited to, all services effected through Automated Clearing House (also known as ACH), information Reporting services, Zero Balanca Accounts (ZBAs), Control Disbursement Accounts, Investment Sweep Accounts, Credit Line Draw Accounts, Wholesale or Retail Lockbox accounts, Reconciliation services, Money Transfer, and Wire Transfer.

The following DDA signatories named above are specifically excluded from authority to enter into these agreements: None

(If none are excluded, write "None")

Even though they are not DDA signatories, the following individuals are specifically authorized to enter into these agreements: None

(If none are authorized, write "None")

Even though they may be a DDA signatory, any individual having the following title(s) shall be authorized to enter into these agreements: None

(If none are authorized, write "None")

The bank may rely upon a person's representation that he/she holds the title indicated.

I hereby certify that I am the duly elected and authorized President of the Organization and that I have the authority to make the certifications contained herein.

I further certify that the foregoing is a complete and correct copy of the resolutions duly adopted and recorded as a part of the minutes of said meeting and that they affirmatively appear in and as a part of said minutes.

I further certify that there is no provision in the articles of incorporation, articles of association, charter, partnership agreement, bylaws or any other governing document of the Organization restricting the power of the group passing the foregoing resolutions from so passing said resolutions, and that the same are in conformity with the provisions of said governing documents.

I further certify that the specimen signatures appearing above are the true signatures of the persons named herein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Organization (if applicable) this 6th day of December, 2000

Handwritten signature of Stephen G. Watford with label SIGNATURE

FOR BANK USE ONLY

Table with columns: ACCOUNT NAME, ACCOUNT NUMBER

Stephen G. Watford NAME (PLEASE PRINT)