

RESOLUTION
of the
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS
regarding
THE FLORIDA GOVERNMENTAL UTILITY AUTHORITY
ACQUISITION OF THE
TANGERINE WATER UTILITY ASSETS
LOCATED IN ORANGE COUNTY
OWNED BY AQUA AMERICA, INC.

Resolution No. 2012-M-45

WHEREAS, the Florida Governmental Utility Authority, a legal entity and public body organized and existing under the laws of the State of Florida (the "Authority") was established pursuant to an Interlocal Agreement, dated as of December 1, 2000, among Sarasota County, Polk County, Nassau County, and Citrus County, for the purpose of acquiring, owning, improving, operating and maintaining water and wastewater utility facilities within the State of Florida; and

WHEREAS, subsequently Sarasota County and Nassau County left the Authority and Pasco, Hendry, Lee and DeSoto Counties joined the Authority; and

WHEREAS, the Authority currently manages and operates utility systems located in Collier, Hillsborough, Lee, and Pasco Counties; and

WHEREAS, the Authority has received an offering letter, dated as of September 20, 2012, from Aqua America, Inc. ("Aqua") for the Authority to acquire all of the utility assets and systems owned by Aqua subsidiaries located in the State of Florida; and

WHEREAS, Aqua subsidiaries own and operate more than ninety (90) water and wastewater utility systems located in nineteen (19) counties and two (2) municipalities in the State of Florida; and

WHEREAS, the voluntary acquisition by the Authority of all the Florida utility assets and systems owned by Aqua is in the public interest and serves the paramount public purpose of placing such individual utility assets and systems in public ownership; and

WHEREAS, in accordance with section 163.01(7)(g)1., Florida Statutes, the Authority has notified Orange County (the "County"), as a Host Government, of the contemplated acquisition; and

WHEREAS, it is the desire of the Board of County Commissioners of Orange County to approve the Authority's proposed acquisition of the utility assets and systems of Aqua located within the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY, FLORIDA:

SECTION 1. FINDINGS. It is hereby found and determined that:

(A) The above recitals are true and correct and are hereby incorporated herein by reference.

(B) Aqua owns and operates the utility assets and utility systems known as the Tangerine system within the unincorporated areas of the County (the "Orange System").

(C) The operation of the Orange System by Aqua within the County is subject to the regulatory authority granted to the Florida Public Service Commission under section 367.011, Florida Statutes.

(D) Public ownership and control of the Orange System will provide an opportunity to:

- (1) further develop a county-wide approach to the comprehensive supply, distribution, and treatment of water;
- (2) achieve economies of scale relative to utility operations, maintenance, customer service and management;
- (3) provide current and future users of the Orange System with cost efficient services at reasonable rates by a governmental entity;
- (4) provide that the operation and maintenance of water facilities is done in a proactive and environmentally responsible manner;
- (5) stabilize rates over the long term, reduce inefficient expansion and extension of service capacities and avoid the proliferation of smaller facilities and sites;
- (6) focus upon the appropriate expansion and interconnection of existing facilities and the construction of future facilities in a coordinated and uniform manner which avoids special or disproportionate benefit to investor-owned utility operators or special interests at the expense of present or future customers;
- and (7) offer an opportunity for local government to not only coordinate the expansion and extension of facilities consistent with the County's comprehensive plans, but to operate the affected utility system as part of a larger community system.

(E) Aqua has heretofore stated that it will not entertain any offers to purchase its utility assets or systems on a piecemeal basis but will sell all of its Florida utility assets or none of them. Accordingly, it is assumed that any efforts by the County to acquire through voluntary acquisition the Orange System will not be entertained by Aqua. As a consequence, the most cost effective

manner of putting the Orange System assets in public ownership is through the acquisition efforts of the Authority in the manner contemplated in this Resolution.

SECTION 2. SUPPORT FOR ACQUISITION OF ORANGE SYSTEM. The County Administrator, or his designated representative, is hereby directed to consult with the staff and consultants of the Authority to assist in the acquisition of the Orange System to the extent that the County Administrator determines that such assistance is in the interest of the County.

SECTION 3. APPROVAL OF ACQUISITION.

(A) The Authority, pursuant to section 163.01, Florida Statutes, and the Interlocal Agreement, as amended, possesses the authority to acquire the Orange System and further possesses the power and authority to provide potable water and wastewater infrastructure and service throughout the State of Florida.

(B) The County hereby approves: (1) the Utility Acquisition Interlocal Agreement attached hereto as Exhibit A; and (2) the acquisition by the Authority of the Orange System based upon the Utility Acquisition Interlocal Agreement.

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SECTION 4. EFFECTIVE DATE. This Resolution shall become effective upon its adoption by the Board.

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ADOPTED this ___ day of October, 2012.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

By: *Teresa Jacobs*
Teresa Jacobs
County Mayor

ATTEST: Martha O. Haynie, County Comptroller
As Clerk of the Board of County Commissioners

By: *Kate Smith*
for Deputy Clerk



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