

GATLIN, WOODS & CARLSON
Attorneys at Law
a partnership including a professional association

The Mahan Station
1709 D Mahan Drive
Tallahassee, Florida 32308

ORIGINAL
FILE COPY

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WAYNE L. SCHIEFELBEIN

TELEPHONE (904) 877-7191
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February 9, 1996

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

HAND DELIVERY

960159-W5

Re: Joint Petition by Palm Coast Utility Corporation and Flagler County Board of County Commissioners for Approval of Agreement for Water and Sewer Service to the Flagler County Airport.

Dear Ms. Bayo:

Please open a docket for consideration of the Joint Petition by Palm Coast Utility Corporation and Flagler County Board of County Commissioners for Approval of Agreement for Water and Sewer Service to the Flagler County Airport.

Enclosed herewith are an original and 15 copies of the Joint Petition, together with the Exhibit 1 Agreement.

We represent petitioners Palm Coast Utility Corporation on this matter. Mr. Hadeed, the County Attorney, represents Flagler County. His address and phone number are given in paragraph 2 of the Joint Petition.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

Sincerely,

Wayne L. Schiefelbein
Wayne L. Schiefelbein

RECEIVED
FEB 9 1996
LIBRARY

WLS/ldv
Enclosures

cc:w/encl.: Albert J. Hadeed, County Attorney

DOCUMENT NUMBER-DATE

01585 FEB-9 96

FPSC-RECORDS/REPORTING

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- GTR _____
- ENG _____
- ETG _____
- EPN _____
- GRC _____
- RCH _____
- SEC _____
- WLS _____
- _____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition by Palm Coast)
Utility Corporation and Flagler County) Docket No.
Board of County Commissioners for)
Approval of Agreement for Water and) Filed:
Sewer to the Flagler County Airport)

JOINT PETITION BY PALM COAST UTILITY CORPORATION AND
FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS
FOR APPROVAL OF AGREEMENT FOR WATER AND SEWER SERVICE
TO THE FLAGLER COUNTY AIRPORT

Palm Coast Utility Corporation (Utility) and the Flagler County Board of County Commissioners (County), by and through their respective undersigned counsel, request Commission approval of an agreement for service to the Flagler County Airport, and in support, state the following.

1. The name and addresses of the petitioners are:

Palm Coast Utility Corporation
2 Utility Drive
Palm Coast, FL 32137

Flagler County Board of County Commissioners
1200 East Moody Boulevard
Bunnell, FL 32110

2. The names and addresses of the persons authorized to receive notices and communications with respect to this docket are:

Wayne L. Schiefelbein
Gatlin, Woods & Carlson
1709-D Mahan Drive
Tallahassee, FL 32308
(904) 877-7191
Attorneys for Palm Coast Utility Corporation

Albert J. Hadeed
County Attorney
1200 East Moody Boulevard #1
Bunnell, FL 32110-9764
(904) 437-7483
Attorney for Flagler County Board of County
Commissioners

DOCUMENT NUMBER-DATE

01585 FEB-98

FPSC-RECORDS/REPORTING

3. The Utility and the County have entered into an Agreement for the provision by the Utility of water and sewer service to the Flagler County Airport. A copy of the agreement is attached as Exhibit 1.

4. The parties believe that the Agreement may be deemed a special service availability contract, in that it includes provisions and charges for the extension of service which are not provided for in the Utility's established service availability policy. If this is so, the Agreement requires Commission approval prior to becoming effective. Rules 25-30.515(18) and 25-30.550(2): Fla. Admin. Code.

5. Specifically, paragraphs 3, 5, 6, 7, 8, 13, 14 and 15 of the Agreement contain provisions not provided for in the Utility's established rules and regulations. Support for approval of each of said paragraphs is therefore provided hereinbelow.

6. Subordination: As with the Utility's standard developer agreements, paragraph 3 of the Agreement provides that the customer obligations created thereunder are an encumbrance on the property served, and that the Agreement is subordinate to mortgage liens. The Airport site was given by the Federal Government to the County subject to the Federal Government's ability to retake the Airport. Paragraph 3 therefore also recognizes that the Agreement is subordinate to the reversionary interests of the Federal Government.

7. Fire Suppression Standard: As with the Utility's standard developer agreements, paragraph 5 of this Agreement

provides for certain obligations regarding fire flow and residual pressure to the Airport's master meter in conformance with the current fire suppression agreement with the County for the Palm Coast Service District. This master agreement, most recently amended in July 1994, governs the Utility's provision of service to public hydrants in the District. The Utility is thereunder required, under normal conditions, to provide 500 gallons of water per minute with a 20 pounds per square inch residual pressure.

8. Limits on and Timing of CIAC payments: The Utility's standard agreements provide for payment of all CIAC required to serve a property upon execution of the agreement and before service is provided. The standard agreements further estimate the CIAC required for any necessary off-site construction such as mains, with the Utility authorized to recoup construction costs incurred in excess of the estimates and required to refund costs that are less than estimated. The County asserted that this arrangement is inconsistent with legal limitations on its authority to make advance payments. To accommodate this concern, the following modifications apply. Paragraph 6 and 7 provide for maximum limitations on the off-site construction costs. They also delay the payment of capacity charges and associated taxes until Utility verification of service capacity to the Florida Department of Environmental Protection (FDEP), a necessary precondition for the County to obtain FDEP permits for the on-site systems that will serve the Airport. The off-site construction costs themselves are required to be paid upon completion of construction and invoicing.

Such construction will coincide with completion of the on-site facilities. In any event, Paragraphs 6 and 7 make it clear that service will not be initiated until all capacity charges and other CIAC charges have been paid to the Utility.

9. Option to Contribute On-Site Systems: At this time, the County will own the on-site systems. The County wanted express recognition that it has the option of contributing the on-site systems to the Utility in the future, after inspection, correction of any deficiencies and payment of all applicable taxes. Paragraph 8 recognizes that County option.

10. Recognition of Line Flushing Usage: The on-site water system serving the Airport has a potential for substantial levels of line flushing, particularly if anticipated growth in potable water usage is slow to materialize. The water used for flushing, necessary to maintain water quality, is not processed through the Utility's wastewater system. Paragraph 13 therefore provides that metered flushing usage up to a maximum of 20% of overall water usage, will be used to offset billing for wastewater service. To facilitate the offset, the County agrees to provide quarterly accountings of metered water usage associated with flushing.

11. Timing of Deposit Payment: The Utility's standard agreements provide for payment of applicable deposits upon execution of the agreements and prior to service being provided. Given the County's assertion of legal limitations on its authority to make advance payments, paragraph 14 provides for payment of deposits concurrent with the timing of CIAC payments, as discussed

in paragraph 8 of this Petition. In any event, the Agreement recognizes that service will not be initiated until the deposits are paid by the County.

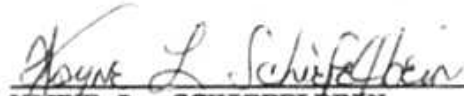
12. Refund of Deposits: The Utility's standard agreements provide that after a satisfactory 23-month payment record the Utility has the option of refunding non-residential deposits or continuing to pay applicable interest to the customer. As per the County's request, paragraph 15 of the Agreement eliminates the option to pay interest, instead requiring refund of the deposits after the aforesaid satisfactory payment record is established.

13. Pursuant to the requirements of Rule 25-30.550(3), Florida Administrative Code, the Utility hereby furnishes the following information. The current rated capacity of the water treatment plants that will serve the Airport is 8.0 million gallons per day (MGD). The current connected load for the plants is 5.22 MGD maximum day usage and 3.54 average day usage, for the 12 months preceding this Petition. The amount of water capacity reserved under the Agreement is 3,000 GPD (0.003 MGD). The current capacity of the sewer treatment plant that will serve the Airport is 4.0 MGD. The current connected load for that plant is 2.239 MGD average daily flow, for the 12 months preceding this Petition. The amount of sewer capacity reserved under the Agreement is 3,000 GPD (0.003 MGD). Hence, the Utility clearly has adequate treatment capacity to serve the Airport.

Based on the foregoing, Palm Coast Utility Corporation and the Flagler County Board of County Commissioners request that the

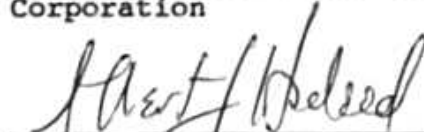
Commission approve the attached Agreement for service to the
Flagler County Airport.

Respectfully submitted,



WAYNE L. SCHIEFELBEIN
Gatlin, Woods & Carlson
1709-D Mahan Drive
Tallahassee, Florida 32308
(904) 877-7191

Attorneys for Palm Coast Utility
Corporation



ALBERT J. HADEED
County Attorney
1200 East Moody Boulevard #1
Bunnell, FL 32110-9764
(904) 437-7483
Attorney for Flagler County Board of
County Commissioners

PALM COAST UTILITY CORPORATION AGREEMENT

PCUC FILE # 475

Palm Coast Utility Corporation (Utility) and Flagler County Board of County Commissioners (Customer) agree as follows:

1. Customer desires to make water and sewer service available to the property known as the Flagler County Airport (Property) described on Exhibit A attached hereto and incorporated by reference herein for the benefit in perpetuity of Customer, its successors, administrators and assigns.

2. Utility agrees to make water and sewer service available to the Property for the benefit of Customer, its successors, administrators, and assigns, subject to the terms and conditions as set forth below.

3. The obligations incurred by Customer as a result of this agreement shall constitute an encumbrance on the Property. This Agreement is made subordinate to mortgage liens on the Property and property which may follow, except that such subordination is only to subordinate Utility's interest to the mortgage lien and in no way waives or releases Utility's rights arising from this Agreement. Further, this agreement shall be subordinate to the reversionary interests of the United States of America in the Airport.

4. The Property is situated within the territory served by Utility as described in Florida Public Service Commission (FPSC) Certificates No. 302-S and 344-W.

5. Customer desires and Utility agrees to make private fire protection service available to the Property, pursuant to the rate schedule in the Utility's approved Tariff. The applicable rate currently in effect for private fire protection service to the Property is \$280.95, which is the monthly rate for a 8" line with one private fire protection service connection. This rate is subject to change as approved by the FPSC. All on site water mains, whether installed by Utility or by Customer, shall be sized in order to meet the fire flow requirements of the "Fire Suppression Rating Schedule" as published by Insurance Services Offices, Municipal Survey Service, First Edition, dated June 1980 and any subsequent editions thereof. Utility agrees to provide fire flow and residual pressure to the master meter in conformance with the PCSD Fire Suppression Agreement approved by the Customer in July, 1994.

6. The Contribution-In-Aid-of-Construction (CIAC) required by Utility to provide water service to the Property is estimated to be \$58,250.00, this amount includes \$7,920 as the charge for reserving water capacity. In addition, there is the Water Capacity Tax Impact Charge required by Utility to provide water service to the Property which is \$2,656.29 and is calculated and administered in accordance with Utility's approved Tariffs. This estimated cost for providing service is partly based upon an estimated usage figure of 3,000 gallons per day. If the average usage over any consecutive six month period, as determined by Utility, should exceed this 3,000 gallons per day figure, an additional charge based on the prevailing CIAC will be due and payable to Utility upon 30 days written notice.

This estimated CIAC of \$58,250.00 is further based upon an estimate of \$50,330.00 to construct a water service main to serve the Property. The estimate includes a jack and bore of SR 100, the installation of approximately 90 linear feet of 12" ductile iron

pipe with the necessary valves and appurtenances, an 8" x 2" Sensus Fireline meter, vault, and a 10" Reduced Pressure Backflow Preventor (Febco 825 YD). If the full costs associated with installing the above described water service main, as determined by Utility, should exceed \$52,847.00, the excess amount will be the responsibility of the Utility.

The water capacity charge of \$7,920.00 and the associated tax impact charge of \$2,656.29 totaling \$10,576.29 will be paid by the Customer to the Utility upon Utility verification of service capacity to the Florida Department of Environmental Protection (FDEP). The verification of service capacity to FDEP is necessary for the Customer to obtain permits for construction and operation of the on-site service system.

The CIAC cost for tap, meter and construction is estimated at \$50,330.00 with a maximum limit of \$52,847.00. PCUC will construct and install these items to coincide with Customer's completion of its on-site facilities. Utility will be paid by the Customer a maximum of \$52,847.00 upon completion of the tap, meter and construction invoiced by the Utility. WATER SERVICE WILL NOT BE INITIATED UNTIL ALL CAPACITY CHARGES AND CIAC CHARGES HAVE BEEN PAID BY THE CUSTOMER.

Utility will have no responsibility to initiate water service until ALL above charges have been paid by the Customer.


7. The CIAC required by Utility to provide sewer service to the Property is estimated to be \$19,110.00 for sewer capacity. The Sewer Capacity Tax Impact Charge required by Utility to provide sewer service to the Property is \$6,409.30 and is calculated and administered in accordance with Utility's approved Tariffs. This estimated cost for providing sewer service is partly based upon an estimated collection figure of 3,000 gallons per day. If the average amount collected over any consecutive six month period, as determined by Utility, should exceed this 3,000 gallons per day figure an additional charge based on the prevailing CIAC will be due and payable to Utility upon 30 days written notice.

The wastewater CIAC totaling \$19,110.00 and the sewer tax impact charge of \$6,409.30 will be paid by the Customer upon Utility verification of service capacity to FDEP. The verification of service capacity to FDEP is necessary for the Customer to obtain permits for the construction and operation of the on-site service system. SEWER SERVICE WILL NOT BE INITIATED UNTIL ALL CAPACITY CHARGES AND CIAC CHARGES HAVE BEEN PAID BY THE CUSTOMER.

8. Utility will inspect the on-site water distribution and wastewater collection system prior to rendering service and reserves the right to inspect facilities from time to time thereafter but assumes no responsibility for the system. Any identified sources of inflow/infiltration in excess of accepted industry standards shall be corrected by customer immediately. The Customer has the right to contribute water and wastewater facilities to the Utility after inspection by Utility, correction of any deficiencies and payment of applicable state/federal tax impact charges.

9. Prior to Utility rendering service to Customer's on-site system, Customer shall provide to Utility, a copy of the engineer's certification of completion and acceptance of certification by FDEP.

10. Customer agrees to install and maintain oil/grease separating devices between the food preparation facilities in the buildings and the on-site wastewater system to prevent the entrance of oils/grease and other objectionable wastes into the Utility's wastewater collection system. Utility reserves the right to inspect Customer's devices prior to rendering wastewater service and from time to time thereafter but assumes no responsibility for Customer's devices.



11. The provision of water and sewer service is subject to prevailing rates, fees, and charges of Utility. These rates, fees and charges are subject to change as approved by the FPSC. Exhibit "C" contains copies of all current applicable tariff charges.

12. Compliance with all Rules and Regulations of Utility is required. These Rules and Regulations are subject to change as approved by the FPSC.

13. Customer will provide a quarterly accounting of water usage along with the daily detail of water quality flushing usage. This flushing component will be used by Utility to offset Customer's wastewater usage billing from Utility. A maximum credit of 20% will be allowed for potable water billings to Customer. To receive the credit the Customer will provide the quarterly water usage analysis to the Utility. The analysis will include a daily detail of flushing water and monthly detail of metered on-site customer usage.

14. Payment of a deposit in accordance with the tariffs of Utility is required. The current water deposit required for a customer with a 2" general service meter is \$400.00. The current sewer deposit required for a customer with a 2" general service meter is an additional \$400.00. These deposits must be paid to Utility simultaneously with the payment for tap, meter and construction costs. WATER AND SEWER SERVICE WILL NOT BE INITIATED UNTIL DEPOSITS HAVE BEEN PAID BY THE CUSTOMER.

15. Utility will pay interest, for non-residential deposits received at (7) percent per annum. After Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Utility shall refund Customer's deposit. Customer hereby authorizes Utility to deduct from said deposits and interest any sum when due Utility from Customer. Utility agrees to refund said deposits or such part of same as shall not have been applied to payment of sums due Utility from Customer at such time as Customer ceases to receive service from Utility.

16. It is estimated that the above noted utility services can be made available within approximately 60 days after this agreement has been executed and Customer has paid up to the maximum of \$89,742.59 for the above noted CIAC, tax impact charges, and deposits. Such time period is subject to change for inclement weather, strikes, acts of God, material shortage, acts of government, and other delaying conditions beyond the control or responsibility of Utility.

17. The parties acknowledge that paragraphs 3,5,6,7,8 13, 14 and 15 of this Agreement contain provisions not provided for by the Utility's established Rules and Regulations. Accordingly this Agreement will be considered by the FPSC to be a Special Service Availability Contract. This Agreement will require FPSC approval prior to becoming effective.

(County Seal)

Attest: [Signature]
Clerk
Printed Name: Syd Crosby
Address: 200 E. Moody Blvd.
Bunnell, FL 32110

APPROVED BY THE
FLAGLER COUNTY BOARD
OF COUNTY COMMISSIONERS

ON November 20, 1995

Signed, Sealed, and Delivered in the
Presence of:

- [Signature]
Printed Name: SANDRA S. BILLER
- [Signature]
Printed Name: Margaret O'Brien

In Witness, FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS has caused these presents to be executed in its name, and its seal to be hereunto affixed, by its proper officers thereunto duly authorized, this 11 day of January A.D. 1996.

By: [Signature]
Title: Chairman, Flagler County Board of County Commissioners
Printed Name: James A. Darby
Printed Address: 1200 E. Moody Blvd. Bunnell FL 32110

In Witness, PALM COAST UTILITY CORPORATION has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officers thereunto duly authorized, this 9 day of January A.D. 1996.

By: [Signature]
Title: V.P. of Finance
Printed Name: JAMES A. PERRY
Printed Address: 2 Utility Drive, Palm Coast FL 32137

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared James A. Perry well known to me to be the V.P. of Finance of the corporation named as Utility in the foregoing agreement, and that they severally acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

Witness my hand and official seal in the County and State last aforesaid this 9 day of January A.D. 1996.

[Signature]
Notary Public

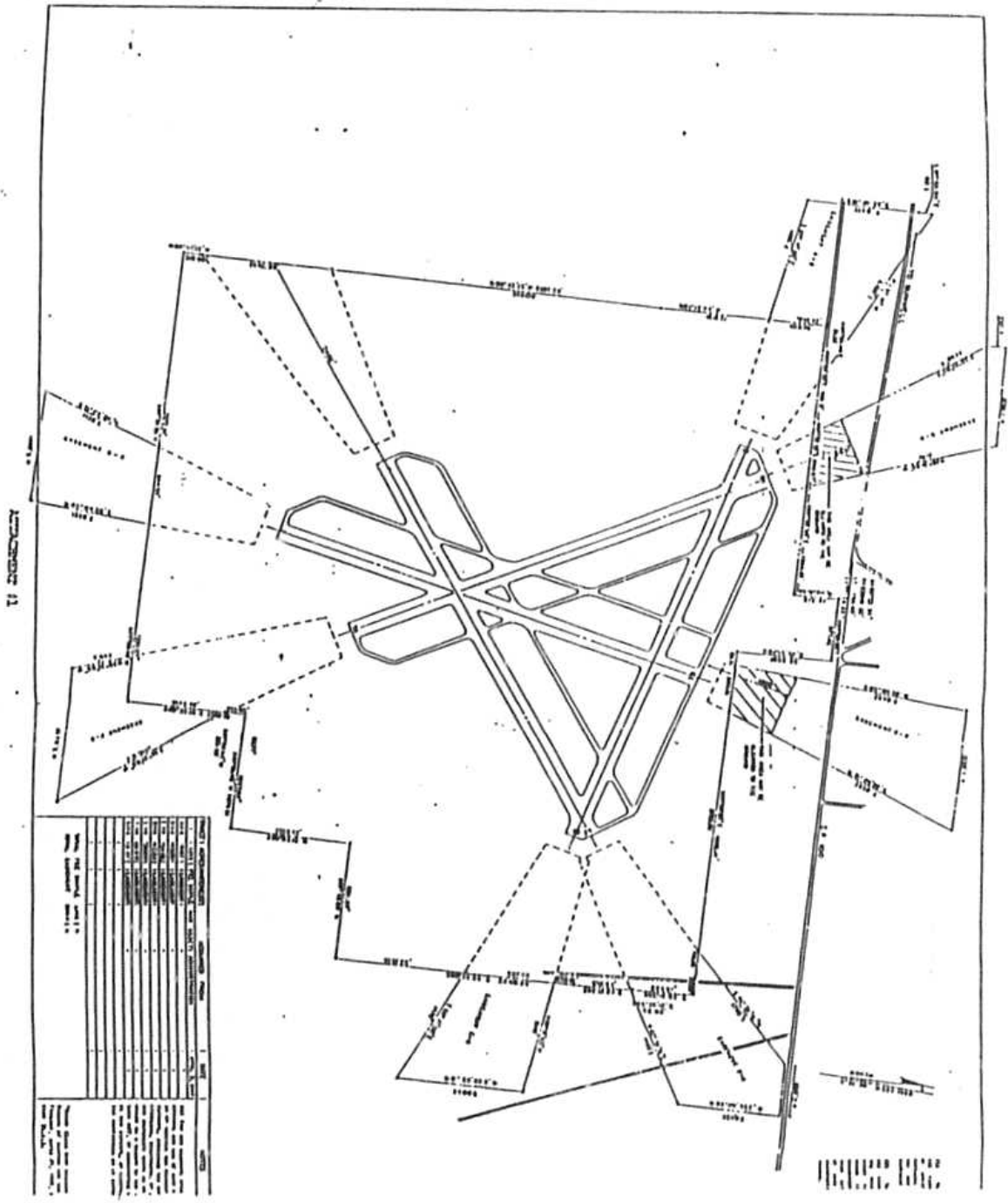
Document prepared by:
Robert Biller
Palm Coast Utility Corporation
2 Utility Dr.
Palm Coast, FL 32137



BRIDGET M. BRAMMER
MY COMMISSION # CC44880 EXPIRES
April 2, 1999
BONDED THRU TRU FARM INSURANCE, INC.

[Handwritten Signature]

EXHIBIT "A"



NO.	DESCRIPTION	DATE	BY
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ASB

CALCULATION OF CONTRIBUTION IN AID OF CONSTRUCTION

Project Name	Project City/County	Date of Calculation
PCUC Project	7/5	12/28/05

			WATER	SEWER
A. Capacity Charges:				
Domestic Demand (GPD) (Pre-determined)	3000 gal x	\$2.64	\$7,920.00	
Irrigation Demand (GPD) (I)	0 gal x	\$2.64	\$0.00	
Sewer Demand (GPD) (Pre-determined)	3000 gal x	\$6.37		\$19,110.00
B. Tap Fee:				
	0 ea. 1'	\$140.75	\$0.00	
C. Meter Installation Fee:				
General Service	0 ea. 3/4"	\$85.00	\$0.00	
Irrigation Service	0 ea. "	\$0.00	\$0.00	
Backflow Preventors	0 ea. 1'	\$205.00	\$0.00	
D. Construction Water:				
Tap	0		\$0.00	
Meter	0		\$0.00	
E. Main Extension Cost (Estimation):				
Est. Main Exten. Construct Cost, Incl. water used			\$0.00	
Est. Tap & Meter Construction Cost			\$50,330.00	
Est. Engineering, Construction Liaison,			\$0.00	\$0.00
F. Prepaid CIAC				
			\$0.00	\$0.00
TOTAL CIAC.....			\$50,280.00	\$19,110.00
G. Tax Impact Charge:				
CIAC Subject to Tax Impact Charge (CIAC-(Tap & Meter))			\$7,920.00	\$19,110.00
Tax Impact Charge Factor =		0.3353099		
Tax Impact Charge			\$2,656.20	\$6,400.30
TOTAL CIAC and TAX IMPACT CHARGE DUE....				
			\$50,000.00	\$25,510.30
H. Meter Deposits:				
General Service, additional	1 ea. 2'	\$400.00	\$400.00	
Irrigation Service	0 ea. "	\$0.00	\$0.00	
Sewer Service, additional	1 ea. 2'	\$400.00		\$400.00
Sewer Connection Inspection @ \$25.00 each				
				\$0.00
TOTAL DUE			\$50,000.00	\$25,510.30

THIRTEENTH REVISED SHEET NO. 19.0
CANCELS TWELFTH REVISED SHEET NO. 19.0

NAME OF COMPANY PALM COAST UTILITY CORPORATION

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available through the area served by the Company.

APPLICABILITY - To any customer for which no other schedule applies.

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

RATE

Base Facility Charge

5/8" x 3/4"	\$10.55
1"	20.34
1 1/2"	52.09
2"	84.29
3"	108.58
4"	263.41
6"	520.01

Usage Charge

Per Thousand Gallons 3.60

MINIMUM CHARGE - Base Facility Charge Per Month.

TERM OF PAYMENT - Bill are due and payable when rendered and become delinquent if not paid within thirty (30) days. After five (5) working days written notice, separate and apart from any other bill, service may then be discontinued.

Effective: October 24, 1995

TYPE OF FILING - 1995 Price Index

Thomas L. Trace, President



TWELFTH REVISED SHEET NO. 23.1
 CANCELS ELEVENTH REVISED SHEET NO. 23.1

NAME OF COMPANY PALM COAST UTILITY CORPORATION

WATER TARIFF

PRIVATE FIRE PROTECTION SERVICE

RATE SCHEDULE PFP'S

AVAILABILITY - Available through the area served by the Company.

APPLICABILITY - For water service for purposes of Private Fire Protection.

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

RATE

<u>Line Size</u>	<u>Monthly Rate Per PFP'S Connection</u>
4"	\$87.79
6"	175.60
6" - Dunes Community Development District	65.27
8"	280.95
10"	403.83
12"	754.94

MINIMUM CHARGE - N/A

TERM OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within thirty (30) days. After five (5) working days written notice, separate and apart from any other bill, service may then be discontinued.

Effective: October 24, 1995
 TYPE OF FILING - 1995 Price Index

Thomas L. Trace, President



TWELFTH REVISED SHEET NO. 19.0
 CANCELS ELEVENTH REVISED SHEET NO. 19.0

NAME OF COMPANY PALM COAST UTILITY CORPORATION

SEWER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available through the area served by the Company.

APPLICABILITY - To any customer for which no other schedule applies.

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

RATE

Base Facility Charge

5/8" x 3/4"	\$11.10
1"	27.72
1 1/2"	55.44
2"	88.69
3"	177.39
4"	277.18
6"	554.35

Usage Charge

Per Thousand Gallons 3.52

MINIMUM CHARGE - Base Facility Charge Per Month.

TERM OF PAYMENT - Bill are due and payable when rendered and become delinquent if not paid within thirty (30) days. After five (5) working days written notice, separate and apart from any other bill, service may then be discontinued.

Effective: October 24, 1995
 TYPE OF FILING - 1995 Price Index

Thomas L. Trace, President