

ORIGINAL

MEMORANDUM

June 9, 1998

TO : DIVISION OF RECORDS AND REPORTING (BAYO) *PRR 05 M GW*

FROM : DIVISION OF WATER AND WASTEWATER (REDEMANN)

RE : DOCKET NO. 980075-WS; APPLICATION FOR AMENDMENT OF CERTIFICATES NOS. 580-W AND 500-S IN MARION AND SUMTER COUNTIES BY LITTLE SUMTER UTILITY COMPANY.

Attached please find a letter from Mr. Martin S. Friedman to Ms. Billie Messer, which should be placed in the above docket file.

If you have any questions, please contact me.

- AGK _____
- AFA _____
- APP _____
- CAF _____
- GMU _____
- CFR _____
- EAG _____
- LEG _____
- LIN _____
- OPG _____
- RCH _____
- SEG _____
- WAS _____
- QTH _____

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CC: Division of Water and Wastewater (Crouch)
 Division of Legal Services (Vaccaro)
 Division of Records and Reporting (Security File)

Attachment

DOCUMENT NUMBER-DATE
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 FPSC-RECORDS/REPORTING

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June 9, 1998

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JUN - 9 1998

Florida Public Service Commission
Division of Water and Wastewater

Ms. Billie Messer
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Little Sumter Utility Company; Docket N. 980075-WS
Our File No. 30059.01

Dear Billie:

This letter is to supplement our response of June 2, 1998 regarding the Memorandum from the Department of Community Affairs in the above-referenced matter. The following additional comments are provided in conjunction with Nancy Linnan of the law firm of Carlton Fields, who is the land development lawyer for the "The Villages".

We have reviewed the memorandum provided by the Department of Community Affairs. We disagree with the Department's conclusion that the expansion of the utility service area should occur after the Land Use Map changes have occurred and the FQD has received its development order. In addition, the conclusion by the Department that should the utility service area expansion be approved by the PSC and the FQD not be approved will in some way provide a catalyst for the premature conversion of rural agricultural land to urban uses is not reasonable given current growth management requirements. Let us outline for you some of the issues that we feel are important and that the Department has obviously not considered in their review and response.

1. The Florida Quality Development (FQD) process is a complex planning and permitting process that takes significant time and financial resources to negotiate successfully. The Department of Community Affairs is a proponent of FQD development. It purportedly embodies and supports many of the goals and objectives of the State Comprehensive Plan and is a highly desirable type of development for the State. Needless to say, the requirements for being designated an FQD are

rigorous. The process alone will take 9-12 months to complete. Being able to solidify how and by whom utilities will be provided is one of the first steps in the development process -- not the last.

Using DCA's logic, "The Villages" must wait until the FQD is approved and a Comprehensive Plan Amendment is processed. This typically takes 9-12 months after submittal of the Application for Development Designation, assuming there are no appeals. Then, they must apply for PSC certification of the utility service area, which may take up to 6 months. Assuming the certification of the service area is secured, permits will then have to be processed to build the facilities, taking another 3-6 months.

If these procedures have to be done sequentially and not concurrently, then the entire construction schedule for "The Villages" will be thrown off. This is not necessary, especially when Marion County is anxious for "The Villages" to have water and sewer available so that Marion County can serve the area around the proposed development. The certification of the service area is necessary to get financing and permitting into place to match construction deadlines.

2. Requiring Little Sumter Utilities to wait until the FQD is approved to receive certification of additional service area is unworkable from a practical standpoint. For example, the FQD application itself requires the identification of the water and sewer provider and a description of the facilities (existing or proposed) to serve the new development. (A copy of pp. 12-15 the DRI/FQD application form is attached.) A provider that represents that it is going to provide service, must feel comfortable that the service area is going to be certified. If someone submits as the provider and the FQD is approved and subsequently the service area is not awarded, then the FQD would have to be reopened to modify the development order with a subsequent cost in time and money.
3. Until the additional service area is certified by the PSC, the Developer cannot document how the area will be served with utilities. This precludes obtaining financing for utilities and may provide an additional stumbling block toward securing overall financing for the project. It is necessary for the Developer to know much earlier in the permitting and development process how the project is to be serviced with utilities.

4. Marion County does not object to the application for expanding the service area. In fact, "The Villages" and Marion County have a conceptual agreement regarding the provision of water and sewer to the parcel. The new development would be served by Little Sumter Utilities and capacity would be reserved in both the water and sewer system for Marion County to utilize in providing central water and sewer service to areas adjacent to "The Villages" development.
5. The FDCA memo concluded that should the utility service area expansion be approved by the PSC and subsequently the FQD not be approved, this will provide a catalyst for the premature conversion of rural agriculture land to urban uses. This statement does not recognize the legal requirements of growth management. Marion County's Future Land use map currently classifies the land in question as "rural". Under Marion County's Comprehensive Plan, this classification allows one unit per 10 acres. Until Marion County changes that designation and the zoning to support it, regardless of the utility service area designation, the property cannot increase its density or intensity of development.

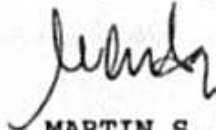
The Department of Community Affairs is a central player in changes to the Comprehensive Plan and Future Land Use Map of every local government in the State. They must review any land use change (except small scale amendments of less than 10 acres) and certify that the change is consistent with the local government's comprehensive plan as well as being in compliance with State law (Chapter 163, F.S.). The only way a conversion of land from agriculture to urban use can occur is for the local government and DCA to approve it.

6. In addition, the use of the term premature is perhaps a misnomer. Although the land in question is designated "rural", it is adjacent to and part of "The Villages", which is an established and continuing urban development in Sumter and Lake Counties which just happens to cross county lines. In addition, it is adjacent to an existing area designated by Marion County as "Urban Expansion Area" and adjacent to an existing FQD, Spruce Creek South, that is essentially builtout. To characterize the surrounding area as agriculture is not accurate. Further, the conversion of this land into urban uses is a logical extension of existing, well planned development that is served with a level of urban services that exceeds most cities of a similar size.

Ms. Billie Messer
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If I can provide you any additional information regarding this issue, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For The Firm

MSF/brm

cc: Mr. John Wise

QUESTION 17 - WATER SUPPLY

See State Comprehensive Plan (Chapter 187, F.S.)

GOAL (8); POLICIES (1),(5),(11)
 GOAL (16); POLICIES (1),(2),(6)
 GOAL (18); POLICIES (1),(2),(3),(4),(6)

ADOPTED LEVEL OF SERVICE STANDARD:

EXISTING LEVEL OF SERVICE:

LEVEL OF SERVICE AFTER PROJECT BUILDOUT:

- A. 1. Provide a projection of the average daily potable and non-potable water demands at the end of each phase of development. If significant seasonal demand variations will occur, discuss anticipated peaks and duration. Use the format below:

POTABLE/NON-POTABLE WATER DEMAND

Phase/ Land Use	Potable Water Demand (MGD)	Non-Potable Water Demand (MGD)		Total Water Demand (MGD)
		Irrigation	Other	
Existing				
Phase 1				
Land Use A				
Land Use B				
. . .				
n				
Phase 2				
Land Use A				
Land Use B				
. . .				
n				
Phase N				

- A. 2. Describe how this demand information was generated, including the identification of the consumption rates assumed in the analysis.

- B. Provide a breakdown of sources of water supply, both potable and non-potable, by development phase through project completion. Use the format below.

POTABLE/NON-POTABLE WATER SUPPLY (MGD)

Phase	On-Site Supply			Total	Off-Site Supply
	Ground Water	Surface Water	Other (Specify)		
Existing					
Phase 1					
Potable					
Non-Potable					
Irrigation					
Other					
Phase 2					
Potable					
Non-Potable					
Irrigation					
Other					
Phase N					

- C. If water wells exist on-site, locate them on Map H and specify those that will continue to be used. Also locate on Map H all proposed on-site wells. (For residential developments, if individual wells for each lot are proposed, simply indicate the number of units to be served, general locations, and any plans for eventual phase-out.) Indicate the diameter, depth, and pumping rates (average and maximum) for each of the existing wells and project this information for the proposed wells (for lots served by individual wells, this information may be grouped for projection purposes). Also provide a breakdown of the wells with regard to potable and non-potable sources.
- D. If on-site water wells are used, will this result in interference with other water wells or result in adverse impacts to underlying or overlying aquifers? Document the assumptions underlying this response.
- E. Who will operate and maintain the internal water supply system after completion of the development?
- F. 1. If an off-site water supply is planned, attach a letter from the agency or firm providing service outlining:

- (a) the projected excess capacities of the water supply facilities to which connection will be made at present and for each phase through completion of the project,
 - (b) any other commitments that have been made for this excess capacity,
 - (c) a statement of the agency or firm's ability to provide services at all times during and after development. (This agency must be supplied with the water demand and supply tables in paragraphs A and B above).
2. If service cannot be provided at all times during and after development, identify the required capital improvements, timing, cost, and proposed responsible entity for each phase in which service is unavailable.
- G. Please describe any water conservation methods or devices incorporated into the plan of development. What percentage of reduction is anticipated over conventional plans?
- H. Indicate whether proposed water service will be provided within an established service area boundary.

QUESTION 18 - WASTEWATER MANAGEMENT

See State Comprehensive Plan (Chapter 187, F.S.)

GOAL (8); POLICIES (12),(13)

GOAL (13); POLICY (11)

GOAL (16); POLICY (1)

GOAL (18); POLICIES (1),(2),(3),(4),(6),(10)

EXISTING LEVEL OF SERVICE:

ADOPTED LEVEL OF SERVICE STANDARD:

LEVEL OF SERVICE AFTER PROJECT BUILDOUT:

- A. Provide, in the table given below, the projected wastewater generation at the end of each phase of development and proposed wastewater treatment. Identify the assumptions used to project this demand.

Phase	Wastewater Generation (MGD)	On-site Wastewater Treatment (MGD)	Off-site Wastewater Treatment (MGD)
Existing Phase 1			
.			
.			
.			
Total			

- B. If applicable, generally describe the volumes, characteristics and pre-treatment techniques of any industrial or other effluents prior to discharge from proposed industrial-related use(s).
- C. 1. If off-site treatment is planned, identify the treatment facility and attach a letter from the agency or firm providing the treatment outlining present and projected excess capacity of the treatment and transmission facilities through buildout, any other commitments that have been made for this excess and a statement of ability to provide service at all times during or after development.
2. If service cannot be provided, identify the required capital improvements, cost, timing, and proposed responsible entity necessary to provide service at all times during and after development.
- D. If septic tanks will be used on site, indicate the number of units to be served, general locations and any plans for eventual phase-out.
- E. Indicate whether proposed wastewater service will be provided within an established service area boundary.

QUESTION 19 - STORMWATER MANAGEMENT

See State Comprehensive Plan (Chapter 187, F.S.)

GOAL (8); POLICY (12)

GOAL (16); POLICY (1)

GOAL (18); POLICIES (1),(2),(3),(4),(6)