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January 26, 1999

DIVISION OF LEGAL SERVICES (VACCARO) TO

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DIVISION OF RECORDS AND REPORTING

DIVISION OF WATER AND WASTEWATER (REDEMANN) FROM :

DOCKET NO. 981363-WS; APPLICATION FOR AMENDMENT OF CERTIFICATES NOS. 7-W and 3-S IN BREVARD COUNTY BY RE

FLORIDA CITIES WATER COMPANY.

Florida Cities Water Company - Barefoot Bay Division (Barefoot Bay or utility) provides water and wastewater service in Brevard County and serves approximately 4,721 water and 4,579 wastewater customers. Florida Cities Water Company includes the Barefoot Bay, Golden Gate and Lee County Divisions. The annual report for 1997 shows that the annual operating revenue for the Barefoot Bay system is \$2,593,000 and the net operating income is \$517,000. utility is a Class A utility company under Commission jurisdiction.

On October 20, 1998, the utility applied for an amendment of Water Certificate No. 7-W and Wastewater Certificate No. 3-S in Brevard County to include an area requested by a developer (Area A) and some residential customers (Area B) who have their own wells and septic tanks. The utility anticipates serving about 81 equivalent residential connections (ERC's) with water and wastewater service in this area. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for amendment of certificate. The application contains a check in the amount of \$200 which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided evidence, in the form of a warranty deed, that the utility owns the land upon which the utility's facilities located as required by Rule 25-30.036(3)(d), Florida Administrative Code.

CMU. Adequate service territory and a territory description have CTR _ been provided as prescribed by Rule 25-30.036(3)(e), and (i), EAG ___ -Florida Administrative Code. Descriptions of the water and wastewater territory are appended to this recommendation as Attachments A, and B, respectively. Attachment A includes the LEG _ LIN - additional area. Attachment B includes a complete rewrite of the utility's existing territory. The rewrite includes the area OPC ___ granted in Orders Nos. 5016 (corrected in Order No. PSC-97-0141-FOF-WS), 9526, PSC-97-0141-FOF-WS and the new area in this docket. SEC _ The utility has submitted an affidavit consistent with Section

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367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections to the application have been received and the time for such has expired. The local planning agency was provided notice of the application and did not file a protest to the amendment. The Department of Community Affairs states that they have not identified any growth management concerns related to consistency with the Brevard County Comprehensive Plan.

The utility states that the provision of service will be consistent with the utility section of the local comprehensive plan. Water service will be provided by the utility's 1.0 million gallons per day 'mgd) water treatment plant. The average current flows are 44% (.44 mgd) of the water treatment plant capacity, and the peak day flow is .71% (.71 mgd). There is a total of 800,000 gallons of storage to handle the peak demand. The extension will add an average daily demand of .020 mgd and a peak demand of .031 There appears to be sufficient water treatment capacity to serve the proposed territorial extension. Wastewater service will be provided by the utility's .75 mgd wastewater treatment plant. Current average daily flows for the twelve-month period is .546 mgd, with flows for the peak day at 1.581 mgd. The plant was designed with a 3.0 hydraulic peaking factor. The peak flow was handled without any degradation in the quality of service. This extension will add an average daily flow of .020 mgd and a peak day flow of .053 mgd. The developer will provide reuse by taking back and reusing at least the same amount of wastewater generated by the parcel, as reclaimed water. The developer (Area A) will construct all necessary reclaimed water mains and dedicate them to Florida Cities.

It appears that the utility has sufficient wastewater treatment plant capacity to serve the development. The utility currently disposed their effluent thru a 40 acre sprayfield owned by the utility, H & S Groves (a sod farm and orange grove) leases this property from the utility, and Barefoot Bay Golf Course. The water system for Area A will connect to an existing 6 inch main at Midway Street and Floral Drive. The wastewater collection system for the Crystal Bay Development will be connected directly to the Barefoot Bay Advanced Wastewater Treatment Plant. Therefore, a new wastewater system. The water and wastewater lines for Area B will be extensions to existing line. Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation regarding this utility.

Barefoot Bay has the financial and technical ability to continue to provide service to the customers. Barefoot Bay is a large, multi-county operation in the State of Florida, and has been in the water and wastewater utility business since 1965. Staff believes the utility has demonstrated the financial and technical expertise to provide quality service to these customers. The water and wastewater rates were last changed on May 2, 1998, by WS-98-0036 a price index. The Commission approved Barefoot Bay's most recent rate increase by Order No. PSC-97-0516-FOF-WU, issued May 5, 1997 in Docket No. 951258-WS. Service availability charges for water and wastewater became effective on September 29, 1994 by Order No. PSC-94-0961-FOF-WS in Docket No. 940106-WS, issued August 8, 1994. The Commission approved an increase in Barefoot Bay's service availability charges for wastewater by Order No. PSC-96-0935-FOF-SU, issued July 18, 1996 in Docket No. 951311-SU. Staff recommends the rates and charges approved by the Commission be applied to customers in the new service territory.

Based on the above information, staff believes it is in the public interest to grant the application of Florida Cities for amendment of Water Certificate No. 7-W and Wastewater Certificate No. 3-S. The utility has returned the certificates for entry of the additional territory and filed revised tariff sheets which reflect the amended territory description. An administrative order should be issued within 30 days granting the amendment of territory.

If you have any questions, please contact me immediately.

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cc: Division of Records and Reporting (Security File)

ATTACHMENT A

FLORIDA CITIES WATER COMPANY - BREVARD COUNTY DIVISION

BAREFOOT BAY

WATER AND WASTEWATER ADDITIONAL AREA

Extension Area A

The intersection of the North line of the Southeast 1/4 of Section 3 (also the North line of the South 1/2 of Section 3), Township 30 South, Range 38 East and the Westerly right of way line of the Florida East Coast Railroad (100 foot Right of Way width) describes the Point of Beginning.

From the Point of Beginning run S23°54'12" E along said Westerly Right of Way line for a distance of 2881.57 feet to the South line of the Southeast 1/4 of Section 3; thence S89°50'45"W along said South line for a distance of 470.46 feet; thence departing said South line run N01°13'26"W for a distance of 1053.18 feet; thence N89°50'47"W for a distance of 2021.86 feet; thence N00°27'56"W for a distance of 1581.03 feet to the North line of the South 1/2 of Section 3, Township 30 South, Range 38 East; thence S89°50'47"E along the North line of the South 1/2 of Section 3 for a distance of 1360.08 feet to the Point of beginning ±.

Extension Area B

From the point of commencement at the Northeast corner of Section 15, Township 30 South, Range 38 East, proceed southerly a distance of 1334 feet ±, thence proceed westerly a distance of 1331 feet ±, to the point of Beginning.

From the point of beginning proceed N00°32'12"W a distance of 11.20 feet; thence S89°32'20"W a distance of 330.01 feet; thence N00°32'12"W a distance of 330 feet; thence S89°32'20"W a distance of 335.43 feet; thence S00°32'12"E a distance of 330 feet ±; thence S89°32'20"W a distance of 343.26 feet; thence N00°31'40"W a distance of 1320 feet; thence S89°32'20"W a distance of 287.9 feet; thence S00°31'40"E a distance of 1950 feet; thence S89°32'20"E a distance of 1350 feet; thence N0°32'12"W a distance of 654.40 feet to the point of Beginning.

Page 1 of 2

FLORIDA CITIES WATER COMPANY - BREVARD COUNTY DIVISION

BAREFOOT BAY

COMPOSITE WATER AND WASTEWATER DESCRIPTION

The following composite description includes (1) the areas granted by Orders Nos. 5016 and 9526, as corrected by Order No. PSC-97-0141-FOF-WS, with certain angles and distances added to make the description more clear and concise; and (2) additional areas approved by Order No. PSC-97-0141-FOF-WS; and (3) additional areas approved by Order No. PSC-98-0360-FOF-WS; and (4) the new areas.

A-portion of Sections 3, 9, 10, 11, 15 and 16, Township 30 South, Range 38 East, Brevard County, Florida, being more particularly described as follows:

Begin at the Northeast corner of Section 15, Township 30 South, Range 38 East, proceed Southerly along the Eastern boundary line of said Section 15, a distance of 1334 feet, more or less, to the Southeast corner of the Northeast 1/4 of the Northeast 1/4; thence westerly along the South boundary of the Northeast 1/4 of the Northeast 1/4 of said Section 15, a distance of 1331 feet, more less to the Southwest corner of the Northeast 1/4 of the Northeast 1/4 of said Section 15; thence South 00°32'12" East, a distance of 654.40 feet; thence South 0°05'00" East, a distance of 950 feet, more or less; thence South 89°46'20" West, a distance of 1331.43 feet, to the West line of the Southeast 1/4 of said Section 15; thence northerly along the North-South centerline of said Section 15, a distance of 261.75 feet to the center of said Section 15; thence South 89°46'20" West, along South boundary of the Northwest 1/4 of said Section 15, for a distance of 2333.53 feet; thence North 44°37'18" West a distance of 475.72 feet, to the West line of said Section 15; thence North 0°32'45" West, along said West line, a distance of 993.85 feet, to the South boundary of the North 1/2 of the Northwest 1/4, of said Section 15; thence North 89°53'10" East, a distance of 2331.8 feet, to Southwest corner of the East 1/2, East 1/2, Northeast 1/4, Northwest 1/4 of said Section 15; thence North 00°31'49" West, along the West line of the East 1/2, East 1/2, Northeast 1/4, Northwest 1/4 of said Section 15, a distance of 1319.16 feet to a line lying 50.00 feet South of and parallel with the North line of said Section 15 (the South boundary of Micco Road right-of-way); thence Westerly parallel with and 50.00 feet South of the North lines of said Sections 15 and 16, a distance 4992.7 feet, to the West boundary of the Northeast 1/4 of Section 16, Township 30 South, Range 38 East, thence North 00°33'44" West along said boundary and the West boundary of the Southeast 1/4 of Section 9, Township 30 South, Range 38 East, a distance of 2732.1 feet, to the center said Section 9; thence North 89°49'31" West, along the South line of the Northwest 1/4 of said Section 9 for a distance of 326.90 feet, to the Southwest corner of the Southeast 1/4, Northwest 1/4, said Section

Page 2 of 2

FLORIDA CITIES WATER COMPANY - BREVARD COUNTY DIVISION BAREFOOT BAY

COMPOSITE WATER AND WASTEWATER DESCRIPTION

9; thence North 00°29'39" West, along the West line of the Southeast 1/4, Northwest 1/4, said Section 9, for a distance of 1343.21 feet to the Northwest corner of the Southeast 1/4, Northwest 1/4, Section 9 of said Township and Range; thence South 89°44'36" East, along the North boundary of the Southeast 1/4 of the Northwest 1/4 of said Section 9 a distance of 1325.33 feet, more or less to the Northeast corner of the Southeast 1/4 of Northwest 1/4 of said Section 9; thence North 00°33'44" West, along the West boundary of the Northeast 1/4 of said Section 9 a distance 1341 feet, more or less to the North 1/4 corner of said Section 9; thence Easterly along the North boundary of said Section 9, Township 30 South, Range 38 East, a distance of 2647.27 feet to the Southwest corner of Section 3, Township 30 South, Range 38 East; thence N 00°32'48" W, along the west line of the Southwest 1/4 of said Section 3, a distance of 2,656.30 feet to a concrete monument at the northwest corner of said Southwest 1/4; thence S 89°50'47" E, along the north line of said Southwest 1/4 a distance of 1320.29 feet; thence S 00°52'46" E a distance of 331.12 feet, thence S 89°53'14" E a distance of 660.91 feet, thence N 00°27'56" W a distance of 330.62 feet; thence S 89°50'47" E a distance of 1360.08 feet to a point on the westerly right of way line of the Florida East Coast Railway; thence S 23°54'12" E along said westerly right of way line for 2881.57 feet; thence S 89°50'45" W a distance of 845.46 feet; thence S 01°13'26" E a distance of 1053.18 feet to the Northeast corner of the Northwest 1/4 of the Northeast 1/4 of Section 10, Township 30 South, Range 38 East; thence S 89°50'45" W a distance of 375.00 feet; thence S 00°35'41" E a distance of 1329.38 feet to the south line of the Northwest 1/4 of the Northeast 1/4 of Section 10, Township 30 South, Range 38 East; thence S 89°42'50" W a distance of 968.12 feet to the eastern boundary of the Northeast 1/4 of said Section 10, Township 30 South, Range 38 East; thence S 00°38'31" East a distance of 1331.98 feet to the center point of said Section 10; thence Easterly a distance of 3764.6 feet to the Westerly boundary of US Highway 1 (State Road No. 5) right-of-way; thence Southeasterly along said westerly boundary a distance of 2619.3 feet (plus or -); thence South 77°07'44" West a distance of 681.4 (plus or -) feet; thence South 23°53'16" East parallel to Florida East Coast Railroad right-of-way a distance of 190.7 (plus or -) feet to the South line of Section 11; thence West along the South line of said Section 11, for a distance of 1,617.4 feet (plus or -) to the Southwest corner of said Section 11, said point also being the Northeast corner of said Section 15 and the POINT OF BEGINNING.