



June 9, 1999

**Via Federal Express**

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

Re: Docket No. 990743 -WS  
Application for Transfer of Water Certificate No. 189-W, Crystal River Highlands  
in Citrus County by Florida Water Services Corporation

Dear Ms. Bayo:

Enclosed for filing is one original application as described above. Also enclosed are 5 copies of the application, along with one map, and an original and two copies of the applicable tariff sheets. Please note that since this is a transfer to a government entity, and it is my understanding that no filing fee is required. The regulatory assessment fees will be paid in full in the ordinary course of business.

In order to confirm filing of this application, please date-stamp the enclosed copy of this letter and return it to me in the stamped, self-addressed envelope which is provided for your convenience.

If you need any additional information or other assistance, please call me at (407) 598-4260. Thank you for your cooperation.

Sincerely,

Matthew J. Feil  
Staff Attorney

Enclosures

*Exp F-1 forwarded to WAW  
Tariff sheet 1-ckfb  
1-sec  
1-WAW*

**APPLICATION FOR TRANSFER TO GOVERNMENTAL AUTHORITY**

(Pursuant to Section 367.071(4)(a), Florida Statutes)

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10 JUN 10 20

**TO: Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850**

The undersigned hereby makes application for the approval of the transfer of part of the facilities operated under Water Certificate No. 189-W located in Citrus County, Florida, and submits the following:

**PART I APPLICANT INFORMATION**

A) The full name (as it appears on the certificate), address and telephone number of the seller (utility):

Florida Water Services Corporation  
Name of utility

(407) 598-4100 (407) 598-4241  
Phone No. Fax No.

1000 Color Place  
Office street address

Apopka Florida 32703  
City State Zip Code

P. O. Box 609520, Orlando, FL 32860-9520  
Mailing address if different from street address

Internet address if applicable

DOCUMENT NUMBER-DATE  
07127 JUN 10 8  
FPSC-RECORDS/REPORTING

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B) The name, address and telephone number of a representative of the utility to contact concerning this application:

<u>Matthew J. Feil</u>	<u>(407) 598-4260</u>	
Name	Phone No.	
<u>1000 Color Place</u>		
Street address		
<u>Apopka</u>	<u>Florida</u>	<u>32703</u>
City	State	Zip Code

C) The full name, address and telephone number of the governmental authority:

<u>Homosassa Special Water District</u>		
Name of utility		
<u>(352) 628-3740</u>	<u>(352) 628-4865</u>	
Phone No.	Fax No.	
<u>10351 West Fishbowl Drive</u>		
Office street address		
<u>Homosassa</u>	<u>Florida</u>	<u>34487</u>
City	State	Zip Code
<u>P. O. Box 195, Homosassa, FL 34487-0195</u>		
Mailing address if different from street address		
<u> </u>		
Internet address if applicable		

D) The name, address and telephone number of a representative of the governmental authority to contact concerning this application:

<u>Jack Moring, Esquire</u>	<u>(352) 795-1797</u>	
Name	Phone No.	
<u>7655 West Gulf Lake Highway, Suite 12</u>		
Street address		
<u>Crystal River</u>	<u>Florida</u>	<u>34429</u>
City	State	Zip Code

**PART II      FINANCIAL INFORMATION**

- A) Exhibit A - A copy of the contract pursuant to Rules 25-30.037(4)(c) and (d), Florida Administrative Code.
- B) Exhibit B - A statement regarding the disposition of customer deposits and the accumulated interest thereon.
- C) Exhibit C - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.
- D) Exhibit D - A statement that the buyer (governmental authority) obtained from the utility or the Commission the utility's most recent available income and expense statement, balance sheet and statement of rate base for regulatory purposes and contributions-in-aid-of-construction.
- E) Indicate the date on which the buyer proposes to take official action to acquire the utility:

The contract was signed April 19, 1999. The closing will take place as soon as possible after the Homosassa Special Water District's Public Hearing on June 21, 1999.

If only a portion of the utility's facilities is being transferred, a revised territory description and map of the utility's remaining territory must be provided, as discussed in PART III, below.

**IF THE UTILITY'S ENTIRE FACILITIES ARE BEING TRANSFERRED, PLEASE DISREGARD PART III OF THIS APPLICATION FORM.**

**PART III      CERTIFICATION**

A) **TERRITORY DESCRIPTION**

Exhibit E - An accurate description of the utility's revised territory. If the water and wastewater territory is different, provide separate descriptions.

Note: Use the Survey of Public Lands method (township, range, section, and quarter section), if possible, or a metes and bounds description. Give the subdivision or project name. The description should NOT refer to land grants or plat books, but may use geographic boundaries (i.e., road right-of-ways, railroads, rivers, creeks, etc). The object is to make the description as brief, but as accurate as possible.

B) **TERRITORY MAPS**

Exhibit F - One copy of an official county tax assessment map or other map showing township, range and section with a scale such as 1"=200' or 1"=400' on which the remaining territory is plotted by use of metes and bounds or quarter sections and with a defined reference point of beginning. If the water and wastewater territory is different, provide separate maps.

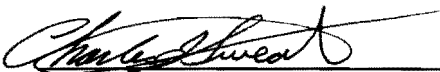
C) **TARIFF SHEETS**

Exhibit G - The original and two copies of tariff sheet(s) revised to show correct service territory. Please refer to Rules 25-9.009 and 25-9.010, Florida Administrative Code, regarding page numbering of tariff sheets before preparing the tariff revisions. (Pages 11-12.) Sample tariff sheets are attached. (Pages 13-16.)

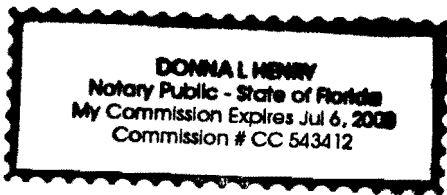
**PART IV AFFIDAVIT**

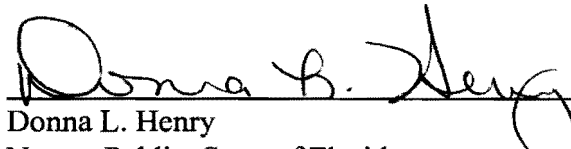
I Charles L. Sweat as Vice President Developer Relations for Florida Water Services Corporation (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.

Florida Water Services Corporation

BY:   
Charles L. Sweat  
Vice President - Developer Relations

Subscribed and sworn to before me this 9<sup>th</sup> day of June, 1999, by Charles L. Sweat, Vice President - Developer Relations for Florida Water Services Corporation, a Florida corporation, who is personally known to me and did take an oath.



  
Donna L. Henry  
Notary Public, State of Florida  
Commission No. CC543412  
Commission Expires: 7-6-00

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\* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

# Exhibit A

**A copy of the contract pursuant to Rules 25-30.037(4)(c) and (d), Florida Administrative Code.**

See Appendix A-1 (contract for sale)

# **Appendix A-1**

## **Contract for Sale**

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## AGREEMENT FOR SALE AND PURCHASE OF WATER DISTRIBUTION LINES

THIS AGREEMENT is made this 19 day of April, 1999, between **FLORIDA WATER SERVICES CORPORATION**, a Florida corporation (hereafter, Seller), and **HOMOSASSA SPECIAL WATER DISTRICT**, a political subdivision of the State of Florida (hereafter, Buyer). In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Seller agrees to sell and Buyer agrees to buy all of the Seller's water distribution lines located in and about the subdivision commonly known as Crystal River Highlands, located in Citrus County, Florida, and more particularly described in *Exhibit A*, attached hereto, and incorporated herein by reference. In connection with the sale of the water distribution lines, Seller will also convey to Buyer, at closing, by appropriate deed or instrument of conveyance, any and all easements, rights-of-way, private consents and the like that it has in order to access and maintain the water distribution lines. Seller warrants that it currently does possess full and lawful authority to enter into and about all properties in which said water transmission lines are located, and it shall provide proof of the same to Buyer within thirty days of the execution of this Agreement by both parties. Should it be discovered that any necessary rights-of-way, easements, consents and the like are lacking, Seller shall have a period of sixty days to obtain the same, failing which, at Buyer's exclusive option, this Agreement shall be terminated, or Buyer may elect to proceed to closing in spite of said deficiencies.

Specifically excluded from this Agreement is Seller's existing well site, located on South Stonebrook Drive, and it is understood between the parties that Seller alone shall be responsible for severing the main link at the Northern District boundary on South Stonebrook

Drive, and capping said main. Seller shall further be responsible for closing and abandoning the well site, and Buyer shall not be obligated to take any action in connection with said well.

2. For purposes of this Agreement, the term "water distribution lines" shall include, but not necessarily be limited to, all transmission mains, distribution mains, supply pipes, valves, meters, meter boxes, service connections, and any appurtenant facilities, devices and property as is commonly utilized in the construction, operation and maintenance of water distribution lines. Seller makes no representations regarding the condition of the water distribution lines being transferred herein, and Buyer agrees to accept the same in their present "as is" condition. Seller, however, states affirmatively that it has no knowledge of the existence of any patent or latent defects affecting the condition of said lines, other than ordinary wear and tear.

3. The purchase price for the water distribution lines shall be \$82,000.00, payable at closing. Any costs in connection with the closing, excepting only those costs expressly assumed by Buyer in this Agreement, shall be the responsibility of Seller. Any taxes or assessments incurred as a result of this Agreement shall be the sole responsibility of Seller, it being understood that Buyer, as a political subdivision of the State of Florida, is tax-exempt in connection with this Agreement.

4. This Agreement is expressly contingent and precedently conditioned upon (i) approval of this Agreement by the State of Florida, Public Service Commission, as to Seller; (ii) compliance with §189.423, *Florida Statutes*, as to Buyer; and (iii) the ultimate approval of a special assessment by Buyer on the properties to be affected by this Agreement, after public hearing in accordance with the procedures outlined in Buyer's charter, as amended. To assist Buyer in complying with items (ii) and (iii) of this paragraph, Seller, within fifteen days from the date of this Agreement, shall furnish to Buyer the following:

- a. Seller's most recent available income and expense statement for Crystal River Highlands;
- b. Seller's most recent total company available balance sheet;
- c. A statement showing Seller's existing Crystal River Highlands rate base for regulatory purposes, in such a manner as will clearly show the amount of contributions-in-aid-of-construction, and the accumulated depreciation thereon;
- d. The physical condition of the Seller's facilities being sold.

Upon receipt of these items, Buyer will review them and then schedule and conduct a public hearing to determine if this Agreement is in the public interest. Should the Buyer determine that this Agreement is not in the public interest, then this Agreement shall be null and void, and of no further force and effect. The criteria for determining whether this Agreement is in the public interest shall be those criteria set forth in §189.423, *Florida Statutes*, as well as the public comment at the public hearing to be held.

Seller shall be responsible for all costs in connection with securing Public Service Commission approval. Buyer shall be responsible for all costs in connection with compliance with §189.423, *Florida Statutes*.

5. Assuming the conditions precedent in Paragraph 4 to have been satisfied, this Agreement shall be closed within sixty (60) days after final approval by the State of Florida, Public Service Commission, and final approval by Buyer after compliance with §189.423, *Florida Statutes*, whichever is later. This sixty-day period is to allow Buyer to secure the necessary permits to extend its existing water distribution line to connect with the water distribution lines being conveyed by this Agreement. It is estimate that the necessary permits and construction can be completed within said sixty-day period; however, should Buyer be unable to complete permitting and construction within said time, then the closing date shall be

extended up to an additional 180 days, so as to allow Buyer sufficient time to complete construction and secure final clearance to enable it to be able to provide service to the properties affected by this Agreement as of the date of closing. Closing shall occur at Buyer's office, 10351 West Fishbowl Drive, Homosassa, Florida.

6. No customer deposits held by Seller are part of this Agreement. Prior to closing, Seller shall refund or credit, as appropriate under the rules of the Florida Public Service Commission, to any customers affected by this Agreement any deposits held by Seller. Buyer shall secure any necessary deposits from said customers, in accordance with Buyer's rules and regulations, after closing. In no event shall Buyer be obligated to honor any credit given by Seller to said customer, in lieu of a refund on any deposit belonging to said customer.

7. Seller warrants and represents that it is the lawful owner of the property that is the subject matter of this Agreement, and that it has full and lawful authority to sell the same, and that it has no knowledge of any actions, suits or proceedings, either pending or threatened, against Seller affecting any of the subject property.

8. Seller shall maintain adequate insurance on the subject property until closing. If all or any part of said property is damaged or destroyed prior to closing, and if the damage or destruction does not exceed 25% of the purchase price of the subject property as specified herein, Seller shall repair or replace the damaged or destroyed property at its sole expense. If the damage or destruction exceeds 25% of the purchase price, Seller may either repair or replace the damaged or destroyed property or terminate this Agreement; however, should Seller elect not to repair or replace the damaged property, Buyer, at its sole option, may elect to proceed to closing and the purchase price shall be downwardly modified in proportion to the extent of the damage or destruction.

9. This Agreement shall be binding upon, and inure to the benefit of the legal successors of the respective parties. No portion of this Agreement is assignable by either party.

10. If Seller breaches this Agreement, Buyer may seek specific performance, in addition to any other remedy provided Buyer by general law. If Buyer breaches this Agreement, Seller may elect to retain any monies paid by Buyer pursuant to this Agreement, if any, or may seek specific performance. In the event of litigation over breach or enforcement of this Agreement, the prevailing party shall be entitled to recover reasonable costs and attorney's fees. Florida law shall govern the validity, interpretation and effect of this Agreement. Venue for any proceeding shall be Citrus County, Florida.

11. All notices, requests, demands and writings contemplated herein to be sent to Seller at 1000 Color Place, Apopka, Florida 32703; and to Buyer at 10351 West Fishbowl Drive, Homosassa, Florida. **Mailing address: P.O. Box 195, Homosassa, FL 34487-0195**

12. If any provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction or by any regulatory agency possessing authority to pass upon the imprimatur hereof, the remainder shall be performed to the extent possible; however, in no way will this paragraph be construed to cause or allow the non-occurrence of the express conditions precedent set forth in Paragraph 4.

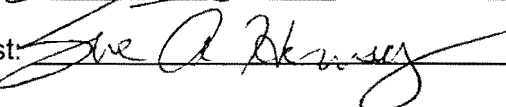
**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date first above written.

**FLORIDA WATER SERVICES CORPORATION**

**HOMOSASSA SPECIAL WATER DISTRICT**

By: 

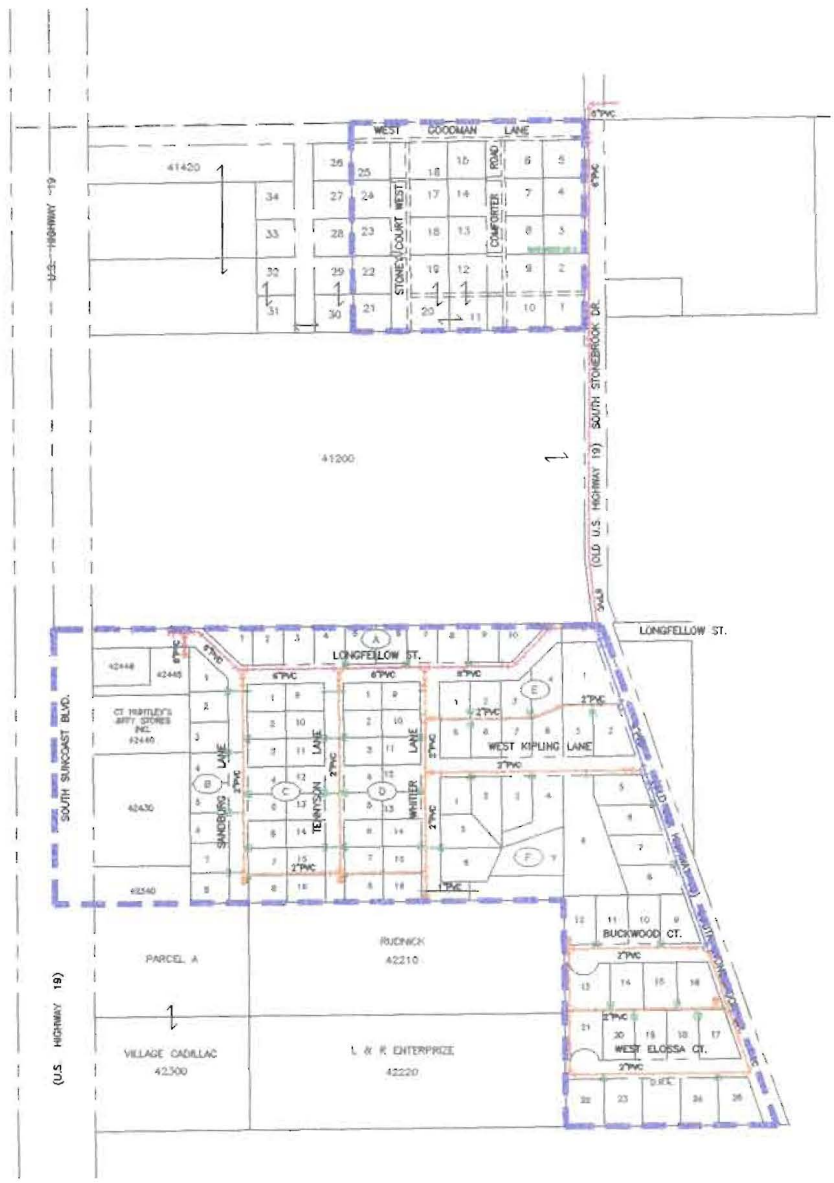
By: 

Attest: 

Attest:  *Commissioner*



9 10  
16 15 TWP. 19S  
RNG. 17E



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**LEGEND**

	1" WATER MAIN		10" WATER MAIN
	2" WATER MAIN		12" WATER MAIN
	3" WATER MAIN		14" WATER MAIN
	4" WATER MAIN		8" EFFLUENT MAIN
	6" WATER MAIN		10" EFFLUENT MAIN
	8" WATER MAIN		12" EFFLUENT MAIN
			14" EFFLUENT MAIN
			EXISTING WATER SERVICE TERRITORY

**EXHIBIT A**  
**CRYSTAL RIVER HIGHLANDS**  
CITRUS COUNTY, FLORIDA

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## **Exhibit B**

**A statement regarding the disposition of customer deposits and the accumulated interest thereon.**

The statement is included in the contract attached as Appendix A-1. Refer to Item 6, Page 4 of 5 of the contract.

## Exhibit C

**A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.**

Pursuant to Section 367.071(2), Florida Statutes, Florida Water will remain liable for any outstanding fees, fines or refunds as of or arising prior to closing which are subject to Commission regulation.



## **Exhibit D**

**A statement that the buyer (governmental authority) obtained from the utility or the Commission the utility's most recent available income and expense statement, balance sheet and statement of rate base for regulatory purposes and contributions-in-aid-of-construction.**

The buyer was provided the income and expense statement, a balance sheet, and a rate base (net book value) spreadsheet for Crystal River Highlands as required with the contract. A copy is attached as Appendix D-1.

# Appendix D-1

**Income Statement, Balance Sheet  
Net Book Value**

UTILITY NAME: FLORIDA WATER SERVICES, CORP.  
 SYSTEM NAME: Crystal River Highlands / Citrus

YEAR OF REPORT  
 DECEMBER 31, 1998

**WATER OPERATING STATEMENT**

ACCT. NO. (A)	ACCOUNT NAME (B)	REF. PAGE (C)	WATER UTILITY (C)
<b>UTILITY OPERATING INCOME</b>			
400	Operating Revenues	W-9	\$28,559
469	Less: Guaranteed Revenue (and AFPI)	W-9	(\$132)
<b>Net Operating Revenues</b>			<b>\$28,691</b>
<b>UTILITY OPERATING EXPENSES</b>			
401	Operating Expenses	W-10(a)	\$16,138
403	Depreciation Expense	W-6(a)	\$5,642
	Less: Amortization of CIAC	W-8(a)	\$2,727
<b>Net Depreciation Expense</b>			<b>\$2,915</b>
406	Amortization of Utility Plant Acquisition Adjustment		\$0
407	Amortization Expense - Other Than CIAC	F-7	\$0
408.1	Taxes Other Than Income	F-8	\$3
408.10	Utility Regulatory Assessment Fees	F-19	\$1,285
408.11	Property Taxes		\$2,244
408.12	Payroll Taxes		\$453
408.13	Other Taxes and Licences		\$0
409.1	Income Taxes		\$1,720
410.10	Deferred Federal Income Taxes	F-19	(\$1,962)
410.11	Deferred State Income Taxes		\$0
411.10	Provision For Deferred Income Taxes - Credit		\$0
412.10	Investment Tax Credits Deferred To Future Periods		\$0
412.11	Investment Tax Credits Restored To Operating Income		(\$61)
<b>Utility Operating Expenses</b>			<b>\$22,735</b>
<b>Utility Operating Income</b>			<b>\$5,956</b>
<b>Add Back:</b>			
469	Guaranteed Revenue (and AFPI)	W-9	(\$132)
413	Income From Utility Plant Leased to Others		\$0
414	Gains (losses) From Disposition of Utility Property		\$0
420	Allowance for Funds Used During Construction		\$29
<b>TOTAL UTILITY OPERATING INCOME</b>			<b>\$5,853</b>

The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. Identify all adjustments made to update this rate base (net book value) to the date of the proposed transfer.

Last Rate Order No. - PSC-96-1320-FOF-WS  
 Date of Last Rate Order - Issued October 30, 1996

CRYSTAL RIVER NET BOOK VALUE AS OF MARCH 31, 1999	CRYSTAL RIVER NET BOOK VALUE		
	Per Last Rate Order PSC-96-1320-FOF-WS 12/31/1996	Adjustments	Net Book Value 3/31/1999
<b>PLANT</b>			
Plant in Service (incl. Land)	218,410.00	(48,273.18) (2)	170,136.82
Accumulated Depreciation	(47,466.00)	16,279.69 (2)	(31,186.31) (1)
<b>Net Plant In Service</b>	<b>170,944.00</b>	<b>(31,993.49)</b>	<b>138,950.51</b>
<b>CWIP</b>			
Acquisition Adjustment - Net	-	5,965.43 (3)	5,965.43 (1)
Less CIAC - Net	(84,175.00)	12,510.11 (2)	(71,664.89) (1)
<b>Net Plant</b>	<b>86,769.00</b>	<b>(13,517.95)</b>	<b>73,251.05</b>
<b>OTHER ASSETS</b>			
Accounts Receivable		2,394.65 (3)	2,394.65
Cash for Customer Deposits		576.00 (3)	576.00
Extraordinary Abandonment		1,341.89 (3)	1,341.89
Unbilled		999.00 (3)	999.00
<b>Sub-Total</b>	<b>86,769.00</b>	<b>(8,206.41)</b>	<b>78,562.59</b>
<b>LESS LIABILITIES</b>			
Customer Deposits & Accrued Interest		592.94 (3)	592.94
Regulatory Assessment Fees		299.66 (3)	299.66
<b>Net Investment</b>	<b>86,769.00</b>	<b>(9,099.01)</b>	<b>77,669.99</b>

Notes:

- (1) Depreciation and amortization is estimated using 1998 amounts.
- (2) Retirements related to 1997 physical inventory to Plant, Accumulated Depreciation and CIAC. Also, Accumulated Depreciation and Accumulated Amortization of CIAC updated to March 31, 1999.
- (3) Not Included for rate making.

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# Exhibit E

**An accurate description of the utility's revised territory. If the water and wastewater territory is different, provide separate descriptions.**

## Crystal River Highlands, Citrus County, Florida Description of Territory Served

Township 19 South, Range 17 East, Citrus County, Florida

Section 15

The North 750 feet of the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of said section 15

AND

that portion of the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of said Section 15 which is lying West of the centerline of Old U.S. Highway 19 (South Stonebrook Drive)

AND

the North 552 feet of the East 605 feet of that portion of said Section 15 which lies West of Old U.S. Highway 19 (South Stonebrook Drive).

## **Exhibit F**

**One copy of an official county tax assessment map or other map showing township, range and section with a scale such as 1" = 200' or 1" = 400' on which the remaining territory is plotted by use of metes and bounds or quarter sections and with a defined reference point of beginning. If the water and wastewater territory is different, provide separate maps.**

The map required is provided as a separate attachment (Appendix F-1) to this package.

## Exhibit G

**The original and two copies of sample tariff sheets revised to show correct service territory. Please refer to Rules 25-9.009 and 25-9.010, Florida Administrative Code, regarding page numbering of tariff sheets before preparing the tariff revisions.**

An original and two separate copies of the sample tariffs sheets are included in the filing under separate cover.

CITRUS COUNTY

HELD FOR FUTURE USE

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Effective Date:

By: *Forrest L. Ludsen*  
Forrest L. Ludsen, Senior Vice President  
Rates & Regulatory Affairs

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