

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Objection to notice of intent)	DOCKET NO. 890759-WS
to apply for transfer of Certificates)	
Nos. 460-W and 414-S from PONCE DE)	ORDER NO. 22794
LEON UTILITY COMPANY OF ST. JOHNS)	
COUNTY, INC. to JACKSONVILLE SUBURBAN)	ISSUED: 4-10-90
UTILITIES CORPORATION and limited)	
proceedings to adjust rates in)	
St. Johns County.)	

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, CHAIRMAN
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

ORDER APPROVING TRANSFER; CANCELLING AND
 AMENDING CERTIFICATES; AND ACKNOWLEDGING
 WITHDRAWAL OF PROTEST

AND

NOTICE OF PROPOSED AGENCY ACTION

ORDER ESTABLISHING RATE BASES; AUTHORIZING IMPLEMENTATION
 OF JACKSONVILLE SUBURBAN UTILITIES CORPORATION'S
 RATES AND SERVICE AVAILABILITY CHARGES;
 AND AUTHORIZING A GUARANTEED REVENUE CHARGE

BY THE COMMISSION:

Notice is hereby given by the Florida Public Service Commission that the action discussed herein is final except for our action establishing rate bases, authorizing implementation of Jacksonville Suburban Utilities Corporation's (JSUC) uniform rates and service availability charges to Ponce de Leon's customers; and authorizing the collection of a guaranteed revenue charge by JSUC, which are preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

DOCUMENT NUMBER-DATE

03118 APR 10 1990

FPSC-RECORDS/REPORTING

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 2

CASE BACKGROUND

Ponce de Leon Utility Company of St. Johns County, Inc. (Ponce de Leon or Utility) is a Class C water and wastewater utility in St. Johns County serving approximately 87 water and 47 wastewater customers at the end of 1989. The Utility, which is currently affiliated with the developer of the service area, Summerhomes, Incorporated, is in the early stages of development.

In May, 1989 Ponce de Leon filed its notice of intent to file an application for our approval to transfer the Utility to JSUC and for a limited proceeding to adjust its rates. By letter dated May 18, 1989, South Ponte Vedra Association, Inc. (Association) filed its objection to the proposed transfer and requested that the matter be set for public hearing. A joint application for transfer and a limited proceeding to adjust rates was filed by Ponce de Leon and General Waterworks Corporation on July 14, 1989. A customer meeting was conducted by our staff on December 14, 1989 in St. Augustine, Florida. No customers attended the meeting.

WITHDRAWAL OF OBJECTION

A Prehearing Conference was held on January 12, 1990, at which the Association verbally withdrew its objection to the transfer and limited proceeding. A written withdrawal of the objection was filed on February 12, 1990 by the Office of Public Counsel on behalf of the Association. We hereby acknowledge the Association's withdrawal of its objection and proceed with consideration of the applications for transfer and for a limited proceeding to adjust rates.

TRANSFER APPLICATION

The joint application for transfer is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for transfer. In particular, the notarized application contains:

- 1) Two checks totaling \$1,800.00, which upon calculation, equates to the correct filing fee as prescribed by Rule 25-30.020, Florida Administrative Code.

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 3

- 2) Proof of notice of application to all interested governmental/regulatory agencies and all utilities within a four-mile radius of the territory, and proof of advertisement in a newspaper of general circulation in the country, as prescribed by Rule 25-30.030, Florida Administrative Code.
- 3) Proof of notice to all customers of record pursuant to Rule 25-30.030(g), Florida Administrative Code.
- 4) Evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.035(3)(f), Florida Administrative Code.

The above-discussed objection was the only one received.

Since the previous owner no longer desires to be in the utility business, and since JSUC has extensive experience and the financial resources to provide the customers of Ponce de Leon with quality service, we find that the transfer is in the public interest and should be approved. Currently, JSUC holds Certificates Nos. 475-W and 411-S in St. Johns County. JSUC is directed to return these certificates for amendment to include the territory described in Attachment A hereto. Additionally, Certificates Nos. 460-W and 414-S, held by Ponce de Leon, shall be returned to this Commission for cancellation.

RATE BASE

In processing the application, we conducted an audit of the books and records of Ponce de Leon to determine the rate bases (net book value) at the time of transfer. Since Ponce de Leon has never filed an application for a rate case, a rate base has never been established for its water or wastewater systems. Therefore, it was necessary to establish a rate base for Ponce de Leon's systems for purposes of considering the utilities' application. To this end, we compiled plant and contributions-in-aid-of-construction (CIAC) general ledger balances from inception of the Utility (1983) through September 30, 1989; traced plant to supporting documentation; and

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 4

recomputed plant depreciation and CIAC amortization for accuracy and compliance with our rules. We also made several adjustments to Ponce de Leon's book balances for its water and wastewater systems.

For example, the value of Ponce de Leon's water treatment plant was misstated on its books; therefore, adjustments were required. The original 1983 water treatment plant was dismantled when a new plant was put in service in December, 1988. The booked cost of the original treatment plant was \$39,371. A vendor salvaged the original plant and allowed a discount on new plant hardware in the amount of \$15,000. Ponce de Leon booked the new plant net of the salvage value. The Utility's books do not reflect the retirement or salvage value. Further, the Utility continued to depreciate this plant from December, 1988 through September, 1989 in the amount of \$1,948. As a result, the Utility's book value of water plant in service was overstated by \$24,731, accumulated depreciation was overstated by that same amount plus the continued depreciation from December, 1988 through September, 1989 of \$1,948. Accounting adjustments were made to correct these misstatements on the utility's books.

We also adjusted the balances for plant-in-service, accumulated depreciation, CIAC and amortization of CIAC for both the water and wastewater systems to reflect the off-site plant contributions received in December, 1988 and July, 1989, which were not booked by the Utility. While these adjustments have no net effect on rate base, they serve to correct the balances in the affected accounts.

Our review of Ponce de Leon's books and records also indicated that the Utility had booked prepaid CIAC received from developers for its water and wastewater systems. The amount booked is \$53,095 and \$205,800 for the water and wastewater systems, respectively. The Utility collected CIAC based on the charges contained in its approved tariffs. Our decision discussed herein to lower the service availability charges on a prospective basis will cause the developers who prepaid the higher amounts to be eligible for a refund of such charges. Therefore, we adjusted the amount of prepaid CIAC to reflect the lower service availability charges approved herein.

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 5

An acquisition adjustment results when the purchase price differs from the original cost calculation. In the present case, we find that no acquisition adjustment is appropriate since the purchase price will be equal to the rate bases established for transfer purposes.

Upon due consideration of the above, we find that rate bases for purposes of this transfer shall be \$573,289 and \$501,197 for Ponce de Leon's water and wastewater systems, respectively.

RATES AND CHARGES

As stated above, the subject application included a request for a limited proceeding to implement JSUC's Duval County rates and charges for Ponce de Leon's systems in St. Johns County.

Ponce de Leon's current water rates were grandfathered-in when the Commission received jurisdiction of St. Johns County. The wastewater rates were established subsequent to receiving jurisdiction of the County in an original certificate case and are based on projections of plant costs and expenses. As we said earlier, the Utility has never filed an application for a rate case; therefore, the Commission has never established rate bases for the water or wastewater systems. Thus, the rates of Ponce de Leon are either rates that were grandfathered-in or are based on projected plant costs and expenses.

In support of its request to implement its uniform rates in St. Johns County, JSUC states that: (1) the application of uniform charges to the Ponce de Leon systems will result in JSUC having uniform, nonpreferential rates for all of its customers; (2) such uniformity may result in cost savings due to a reduction in accounting, data processing and administrative expenses; (3) such a cost savings would benefit current and future ratepayers of all of the JSUC systems as well as those of the Ponce de Leon systems; (4) JSUC operates 11 water and 9 wastewater utility systems that are distinct and separate from each other and it takes approximately as long to drive from JSUC's headquarters to the Ponce de Leon service area as it does to some of JSUC's other service areas, the only difference being the Ponce de Leon systems are in another county; (5) from an operational standpoint, operating Ponce de Leon's systems would not be any different for JSUC than

ORDER NO. 22794
 DOCKET NO. 890759-WS
 PAGE 6

operating its other utility systems; and finally (6) the application of JSUC's current rates will result in a decrease in the rates to the customers of Ponce de Leon.

Upon due consideration of the above, we find that it is in the public interest for JSUC to apply its current rates and miscellaneous service charges to customers in the Ponce de Leon water and wastewater systems. JSUC shall immediately file revised tariff sheets with this Commission reflecting the rates and charges set forth below.

MONTHLY WATER RATES

RESIDENTIAL SERVICE

<u>Base Facility Charge</u>	
<u>Meter Size</u>	
5/8" x 3/4"	\$ 4.09
3/4"	5.74
1"	9.02
1-1/2"	20.50
2"	40.21
<u>Gallonage Charge</u>	
(Per 1,000 Gallons)	\$.8358

GENERAL SERVICE

<u>Base Facility Charge</u>	
<u>Meter Size</u>	
5/8" x 3/4"	\$ 5.70
3/4"	7.35
1"	10.63
1-1/2"	22.12
2"	41.81
3"	110.76
4"	284.78
6"	320.89
8"	3,574.64
<u>Gallonage Charge</u>	
(Per 1,000 Gallons)	\$.8358

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 7

WASTEWATER RATES

RESIDENTIAL SERVICE

<u>Base Facility Charge</u>	<u>Monthly</u>	<u>Quarterly</u>
<u>All Meter Sizes</u>	\$ 7.92	\$ 23.75
<u>Gallonge Charge</u> (Per 1,000 Gallons Maximum of 10,000 Gallons/Month)	\$ 2.5704	\$ 2.5704

GENERAL SERVICE

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Monthly</u>
5/8" x 3/4"	\$ 9.02
3/4"	12.49
1"	20.07
1-1/2"	45.83
2"	90.00
3"	244.63
4"	634.88
6"	715.87
8"	8,012.58
<u>Gallonge Charge</u> (Per 1,000 Gallons)	\$ 2.5704

ORDER NO. 22794
 DOCKET NO. 890759-WS
 PAGE 8

MISCELLANEOUS SERVICE CHARGES

<u>Type</u>		<u>Charge</u>
Initial Connection	\$	10.00
Normal Reconnection		10.00
Violation Reconnection:		
Normal Working Hours		10.00
After Working Hours		15.00

The above water and wastewater rates shall be effective upon our approval of revised tariff sheets. The new miscellaneous service charges shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets.

SERVICE AVAILABILITY CHARGES

JSUC's application requested that it be allowed to implement its present service availability charges for Ponce de Leon's water and wastewater systems. Our review of the two utilities' existing service availability charges shows that the charges of JSUC are significantly lower than those of Ponce de Leon.

JSUC's application of Ponce de Leon's existing water service availability charges will result in a contribution level of 113 percent at the projected buildout date of 2005. This means that contributions would exceed net plant at buildout. This would be in violation of Rule 25-30.580, Florida Administrative Code, which states that the contribution level shall be no greater than 75 percent when the system reaches buildout. However, if JSUC were to apply its existing water service availability charges to the Ponce de Leon water system, a contribution level of 73 percent would exist at buildout, and such level would conform to the above-cited rule. Accordingly, we find that it is appropriate for JSUC to implement its current water service availability charges in the Ponce de Leon service area.

ORDER NO. 22794
 DOCKET NO. 890759-WS
 PAGE 9

Similarly, if we were to permit JSUC to apply Ponce de Leon's current wastewater service availability charge of \$1,400, the contribution level at buildout would be 120 percent, which is likewise in violation of the above-cited rule. However, if we permit JSUC to implement its present wastewater service availability charge of \$210, the result would be a contribution level of 56 percent at buildout, which is within the guidelines of the rule, but far below our preferred target of 75 percent net contributions at buildout. Therefore, in order to have the wastewater service availability charge be more in line with our rule, we will approve a new charge of \$500. That results in a contribution level at buildout of 72 percent. Thus, we find that a wastewater service availability charge of \$500 is reasonable and is hereby approved.

The approved water and wastewater service availability charges are set forth below:

SERVICE AVAILABILITY CHARGES

WATER SYSTEM

	<u>Charge</u>
<u>System Capacity</u>	
<u>Charge:</u>	\$ 100.00
<u>Meter Installation Fees:</u>	
5/8" x 3/4"	\$ 70.00
3/4"	125.00
1"	150.00
1-1/2"	235.00
2"	357.00
3"	1,550.00
4"	1,989.00
6"	4,439.00
<u>Customer Tap-In Charge</u>	
All Meter Sizes	
up to 2":	N/A
Over 2"	N/A

ORDER NO. 22794
 DOCKET NO. 890759-WS
 PAGE 10

WASTEWATER SYSTEM

	<u>Charge</u>
Plant Capacity	
Charge (Per ERC):	\$ 500.00

The above service availability charges shall be effective upon our approval of the revised tariff sheets.

GUARANTEED REVENUE CHARGE

The application requested approval of a guaranteed revenue charge of \$37.50 per month, which represents a combined water and wastewater charge to be applied to 420 ERCs. The calculation equals the expected average monthly bill per ERC assuming 8,000 gallons of usage per month. The purpose of this charge is to allow JSUC to earn a return on its investment during the first few years of serving the territory despite the present low number of customers. As lots are sold and active customers come on line, the number of lots to which the charge is applied will decrease and will cease totally when there are 420 active water and wastewater customers. We find that the proposed guaranteed revenue charge is reasonable and should be levied against all developers/prospective customers who reserve capacity in the Ponce de Leon water and wastewater systems.

Upon due consideration of the foregoing, it is, therefore

ORDERED by the Florida Public Service Commission that the joint application by Ponce de Leon Utility Company and General Waterworks Corporation to transfer the former's certificated territory in St. Johns County to Jacksonville Suburban Utilities Corporation is approved as set forth in the body of this Order. It is further

ORDERED that Certificates Nos. 460-W and 414-S held by Ponce de Leon Utility Company are hereby cancelled and such Certificates shall be returned to this Commission within thirty (30) days of the date of this Order. It is further

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 11

ORDERED that Certificates Nos. 475-W and 411-S held by Jacksonville Suburban Utilities Corporation shall be returned to this Commission within thirty (30) days of the date of this Order for amendment to include the territory described in Attachment A to this Order. It is further

ORDERED that the remaining provisions of this Order are issued as proposed agency action, and shall become final unless an appropriate petition in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, within the time limit set forth in the Notice of Further Proceedings or Judicial Review set forth below. It is further

ORDERED that the rate bases, for purposes of the transfer and which reflects the net book value shall be \$573,289 for the water system and \$501,197 for the wastewater system. It is further

ORDERED that Jacksonville Suburban Utilities Corporation's application to apply its current water and wastewater rates and service availability charges to Ponce de Leon's customers in St. Johns County is granted, as modified in the body of this Order. It is further

ORDERED that the water and wastewater rates and service availability charges approved herein shall be effective upon our approval of revised tariff sheets. It is further

ORDERED that the miscellaneous service charges approved herein shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets. It is further

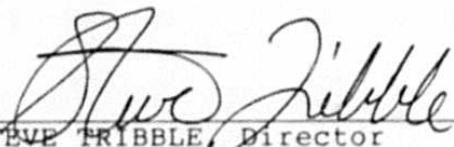
ORDERED that Jacksonville Suburban Utilities Corporation is authorized to collect a guaranteed revenue charge as set forth in the body of this Order. It is further

ORDERED that Jacksonville Suburban Utilities Corporation shall immediately file revised tariff sheets reflecting the rates and charges approved herein. It is further

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 12

ORDERED that in the event that no timely protest is received, this docket shall be closed.

By ORDER of the Florida Public Service Commission
this 10th day of APRIL, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

JRF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action establishing water and wastewater rate bases; authorizing implementation of JSUC's rates and service availability charges; and authorizing a guaranteed revenue charge is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.019(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 13

and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 1, 1990. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 14

ATTACHMENT A
Page 1 of 3

Description for General Waterworks Corporation
(Jacksonville Suburban Utilities Corporation)
(Ponce De Leon)

St. Johns County

WATER

PARCEL 1 - Commence at North East corner, Section 19, Township 6 South, Range 30 East, St. Johns County, Florida for a P.O.B. Thence run North $89^{\circ}-15'$ West for a distance of 297'. Thence run South $06^{\circ}-06'-30''$ East for a distance of 993.04'. Thence run North $89^{\circ}-15'$ East 1002.02+ feet to the waters of the Atlantic Ocean. Thence run northerly along waters of Atlantic Ocean 1503+ feet. Thence run North $89^{\circ}-15'$ West 262.52'. Thence run South 100' along West R/W of A-1-A. Thence run North $89^{\circ}-15'$ West 269.55'. Thence run South $0^{\circ}-45'$ East 390.97' to the P.O.B.

PARCEL 2 - Commence at South West corner of Section 20, Township 6 South, Range 30 East, St. Johns County, FL. for P.O.B. Thence run North $89^{\circ}-15'$ East 1760+ feet to the waters of Atlantic Ocean. Thence run Northerly along waters of Atlantic Ocean 1486.69+ feet. Thence run North $89^{\circ}-15'$ West 1438.14'. Thence run South $0^{\circ}-45'00''$ East 1486.69 feet to the P.O.B.

PARCEL 3 - Commence at the Northeast corner of Section 19, Township 6 South, Range 30 East, St. Johns County, Florida; thence run South $89^{\circ}-15'$ West along the North line of said Section 19 for a distance of 297 feet; thence run South $6^{\circ}-6'-30''$ East for a distance of 993.04 feet to the point of beginning. From the point of beginning thus obtained, thence run South $6^{\circ}-6'-30''$ East for a distance of 2,188.2 feet; thence run South $0^{\circ}-45'$ East along the East line of Section 19, Township 6 South, Range 30 East, St. Johns County, Florida for a distance of 625.31 feet; run thence North $89^{\circ}-15'$ East for a distance of 1438.14 feet to the edge of the Atlantic Ocean, thence run in a Northwesterly direction along the edge of the Atlantic Ocean for a distance of 2,875 feet more or less to a point that is 1000.02 feet North $89^{\circ}-15'$ East from the point of beginning; thence run South $89^{\circ}-15'$ West for a distance of 1000.02 feet to the point of beginning.

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 15

ATTACHMENT A
Page 2 of 3

PARCEL 4 - Commence at the Southwest corner of Section 17, Township 6 South, Range 30 East, St. Johns County, Florida, run thence North $0^{\circ}-45'$ West along the West line of said Section 17 for a distance of 390.97 feet; thence run North $89^{\circ}-15'$ East for a distance of 269.55 feet; thence run North $12^{\circ}-57'$ West along the Southwesterly right-of-way line of Florida State Road A1A for a distance of 100 feet; thence run North $89^{\circ}-15'$ East for a distance of 262.52 feet to a point on the approximate water line of the Atlantic Ocean; said point being the point of beginning. From the point of beginning thus obtained, thence run South $89^{\circ}-15'$ West for a distance of 262.52 feet; thence run South $12^{\circ}-57'$ East along the Southwesterly right-of-way line of Florida State Road A1A for a distance of 100 feet; thence run South $89^{\circ}15'$ West for a distance of 269.55 feet; thence run South $0^{\circ}-45'$ East along the East line of Section 18, Township 6 South, Range 30 East for a distance of 390.97 feet to the Southeast corner of said Section 18, thence run South $89^{\circ}-15'$ West along the South line of Section 18, Township 6 South, Range 30 East for a distance of 297 feet; thence run North $45^{\circ}-45'$ West for a distance of 726 feet; thence run North $71^{\circ}45'$ West for a distance of 792 feet; thence run North $5^{\circ}-15'$ East for a distance of 1245.43 feet; thence run South $89^{\circ}15'$ West for a distance of 3,050 feet more or less to the Easterly line of the Intercoastal Waterway; thence run in a Northeasterly direction along the Intercoastal Waterway and the Southeasterly line of Guano Creek to its intersection with the North line of Section 18, Township 6 South, Range 30 East, St. Johns County, Florida; thence run North $89^{\circ}-15'$ East for a distance of 1000 feet more or less to the Northwest corner of a County park; thence run South $4^{\circ}-22'-40''$ East along said park for a distance of 100.20 feet; thence run North $89^{\circ}-15'$ East along the Southerly line of said County park for a distance of 904.22 feet to the approximate water line of the Atlantic Ocean; thence run in a Southeasterly direction along the approximate water line of the Atlantic Ocean for a distance of 4880 feet more or less to the point of beginning.

ORDER NO. 22794
DOCKET NO. 890759-WS
PAGE 16

ATTACHMENT A
Page 3 of 3

Description for General Waterworks Corporation
(Jacksonville Suburban Utilities Corporation)
(Ponce De Leon)

St. Johns County

WASTEWATER

Township 06 South, 30 East

In Section 17, 18, 19 and 20

Commence at the intersection of the North line of said Section 18 with the West line of State Road A-1-A (A 66.0 foot right of way); thence South $89^{\circ}-15'-00''$ West, 627.87 feet; thence South $04^{\circ}-22'-40''$ East, 100.20 feet to the point of beginning; thence continue South $04^{\circ}-22'-40''$ East, 1857.36 feet; thence South $05^{\circ}-15'-00''$ West, 2640.0 feet; thence South $71^{\circ}-45'-00''$ East, 792.0 feet; Thence South $45^{\circ}-45'-00''$ East, 726.0 feet; Thence South $06^{\circ}-06'-30''$ East, 3181.24 feet; thence South $00^{\circ}-45'-00''$ East, 625.31 feet; thence continue South $0^{\circ}-45'0''$ East, 1486.69 to Southwest corner of Section 20, continue North $89^{\circ}-15'$ East 1770 more or less to the waters of the Atlantic Ocean thence northerly along waters of said Ocean and following its meandering thereof 10,860 feet more or less to a point that is North $89^{\circ}-15'-00''$ East, from the point of beginning; thence North $89^{\circ}15'00''$ West, 905 feet, more or less, to the point of beginning.