



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: June 21, 1996
TO: Division of Records and Reporting
Division of Legal Services, Bobbie Reyes
FROM: Division of Water & Wastewater, J. Travis Coker *JTC BOM JTW*
RE: Docket No. ~~960380~~-WS; Application for amendment of Certificate Nos. 511-W and 467-S in Marion County by Spruce Creek South Utilities, Inc.

Spruce Creek South Utilities, Inc. (Spruce Creek or Utility) is a Class B utility in Marion County. In the most recent data available, the 1995 annual report states that the utility had annual operating revenues of \$675,139 and net income of \$12,240. The utility provides service to 1,472 residential and 7 commercial water customers and 874 residential and 7 commercial wastewater customers.

On March 26, 1996 Spruce Creek Utilities, Inc. applied for an amendment to Water Certificate No. 511-W and Wastewater Certificate No. 467-S in Marion County, Florida. The location of the proposed territory is generally described as:

That portion of Section 4, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, Except the east 50 feet thereof;
and

That portion of Section 9, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, less and except the east 50 feet of the North 1,520 feet thereof;
and

The Northeast 1/4 of the Northeast 1/4 and Northeast 1/4 of the Northwest 1/4 of Section 16, Township 17 South, Range 20 East, Marion County, Florida, less and except that portion conveyed in the right-of-way deeds recorded in Official Records Book 1273 at Page 1293 and Official Records Book 798 at Page 32 of the Public Records of Marion County, Florida.

Containing 416.01 acres, more or less.

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 \$2,000.00 which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided evidence of an agreement, a 99 year lease, which provides for the continued use of the land as required by Rule 25-30.036(1)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(1)(e),(f) and (i), Florida Administrative Code. A description of the territory requested by the utility is appended to this memorandum as Attachment A. The utility has submitted an affidavit consistent with Section 367.045(2)(d),

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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, including notice to the customers in the proposed territory. No objections to the notice of application have been received and the time for filing such has expired.

The utility has the financial and technical ability to provide service to the proposed area, and has stated that the area is in need of service from Spruce Creek. The utility has invested \$2,000,000 and is currently providing service to approximately 1,700 residential water customers and 1,000 residential wastewater customers, as well as other commercial customers in its existing service territory. This amendment follows the planned expansion plans to serve surrounding subdivisions and developments. Spruce Creek has operated its existing plants in conformance with all applicable regulatory requirements since its inception and will continue to employ its technical staff to enable it to provide high quality water and wastewater service to the new customers. Two additional wells, currently under construction, will enable to Spruce Creek to provide potable water service to all planned residential and commercial development within the requested territory, as well as fire flow. A third well will be constructed to fulfill commercial fireflow requirements.

Spruce Creek will also construct a 95,000 gpd wastewater treatment facility to provide wastewater service to the proposed expansion area. The utility will utilize spray irrigation to restricted access sprayfield, which is considered a reuse system under applicable Department of Environmental Protection regulations.

The provision of service will be consistent with the approved local comprehensive plan. The local planning agency was provided notice of the application and did not file a protest to the amendment. Additionally, the central water and wastewater service from the applicant as proposed has been specifically approved and required as part of the Developmental Regional Impact approval for the subdivision. Staff has contacted the Department of Environmental Regulation and learned that there are no outstanding notices of violation.

The utility has indicated that the proposed amendment will have no significant impact on its existing rates and charges. Staff recommends that these rates and charges be applied to customers in the new service territory. The utility has filed revised tariff sheets incorporating the additional territory into its tariffs and returned its certificate for entry reflecting the additional territory.

Based on the above information, staff believes it is in the public interest to grant the application of Spruce Creek for amendment of Water Certificate No. 511-W and Wastewater Certificate No. 467-S for the territory previously described. Staff recommends that an administrative order be issued as soon as possible acknowledging the amendment of Water Certificate No. 511-W and amendment of Wastewater Certificate No. 467-S in Marion County. Furthermore, staff recommends that this docket be closed.