

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment  
of Certificate Nos. 236-W and  
179-S to extend service area in  
Nassau County by United Water  
Florida Inc.

DOCKET NO. 001234-WS  
ORDER NO. PSC-01-1161-FOF-WS  
ISSUED: May 22, 2001

The following Commissioners participated in the disposition of  
this matter:

E. LEON JACOBS, JR., Chairman  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

ORDER APPROVING AMENDMENT OF CERTIFICATES NOS. 236-W AND 179-S  
AND REQUIRING FILING OF PROOF OF OWNERSHIP OR CONTINUED USE  
OF LAND BY NOVEMBER 19, 2001

BY THE COMMISSION:

BACKGROUND

United Water Florida, Inc. (UWF or utility) is a Class "A" utility providing water and wastewater service in Duval, Nassau, and St. Johns Counties. UWF was formed as a Florida corporation on June 5, 1937, and has local offices in Jacksonville, Florida. UWF is a wholly owned subsidiary of United Waterworks, Inc., which is a Delaware corporation, formed on June 1, 1970, with its principal office located in New Jersey. The utility's 1999 annual report shows that it had gross annual operating revenues of \$29,808,888 and a net operating income of \$5,256,000 for its water and wastewater systems, and serves approximately 31,129 water and 25,829 wastewater customers throughout its entire service area. We have previously found that UWF's facilities are functionally related and comprise a single utility system whose service transverses county boundaries.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Both the existing and proposed amended territories of UWF are located within an area which has been designated a Water Use Caution Area and requires the application of certain water use restrictions.

On August 25, 2000, the utility applied for amendment of Certificates Nos. 236-W and 179-S to extend its service area in Nassau County. The requested area included a soon to be constructed development called Lighthouse Point, in addition to areas adjacent to the Lighthouse Point development. The utility originally projected the buildout of the entire proposed territory to be approximately 400 equivalent residential connections (ERCs) for water and wastewater. Lighthouse Point will have approximately 173 ERCs, which will include 143 single family homes, a hotel, and a small store. The water treatment plant to be located in Lighthouse Point, the water distribution and wastewater collection systems, and the wastewater force main connecting the development with the utility's wastewater treatment plant, are to be constructed by the developer. That property will then be conveyed to the utility through a developer agreement, which will be filed after approval of the amendment application.

We received over 200 letters objecting to the utility's application, stating concerns about urban sprawl, the environment, and the possibility of local residences being forced to connect to the utility's system. Our staff sent letters in response to the objections, requesting clarification as to whether these individuals wished to pursue their objections through a hearing. Eight individuals responded to letters and stated that they wanted a hearing in this matter.

On October 24, 2000, UWF amended its application to modify the legal description of its proposed territory to include only the area in the Lighthouse Point development. After the utility amended its application, all eight of the individuals who objected to the application and requested a hearing withdrew their objections. Seven of those who withdrew their objections and requests for a hearing stated that the withdrawal of their objection was contingent on the utility only providing service to the Lighthouse Point development, which is the case.

We have jurisdiction to consider this application under Section 367.045, Florida Statutes.

APPLICATION

Except for an issue pertaining to land ownership discussed below, the application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning applications for amendment of certificates. The application contained a check in the amount of \$1,000, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

In reference to land ownership, as required by Rule 25-30.036(3)(d), Florida Administrative Code, UWF provided evidence that the utility owns the land upon which the existing wastewater treatment plant is located. The water treatment plant will be constructed by the developer and will be conveyed to the utility through a developer agreement. Therefore, at this time, the utility does not presently own or lease the water plant site property. In similar situations, we have allowed other utilities additional time to file proof of land ownership or a long term lease after the final order on the application was issued. See Order No. PSC-99-1232-FOF-WS, issued June 22, 1999, in Docket No. 981992, wherein we allowed Sandy Creek Utilities, Inc., six months after the issuance of the order on its application to file a warranty deed. We find that a six month timeframe should be sufficient time to obtain the land deed or a lease. Accordingly, UWF shall file proof of ownership or continued use of the land upon which the water treatment plant facilities will be located within six months of the issuance date of this Order, which is November 19, 2001.

Adequate service territory and system maps and territory descriptions have been provided as prescribed by Rule 25-30.036(3)(e), (f) and (i), Florida Administrative Code. An amended description of the territory to be added by the utility is appended to this Order as Attachment A, which by reference is incorporated herein. The utility has filed an affidavit consistent with Section 367.045(2)(d), Florida Statutes, attesting that it has tariffs and annual reports on file with this Commission.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. As previously discussed, we received a number of letters objecting to the application. However, those objections and requests for hearing were subsequently withdrawn when the utility filed an amended application proposing service to only the Lighthouse Point development.

The local planning agency was also provided notice of the application. The utility states that its water and wastewater service to the proposed additional area has been and will continue to be consistent with the water and wastewater section of the local comprehensive plan as approved by the Department of Community Affairs (DCA). The DCA has reviewed the proposed territory expansion and found it had no objection to the utility's proposed expansion. However, there was a wetlands area that the DCA determined would not need the provision of central water and sewer facilities. The DCA recommended that this area be excluded from the proposed expansion area. The wetland area referenced by the DCA was in the territory that was deleted from UWF's proposed service area in its amended application.

Water service to the proposed area will be provided by the soon to be constructed Yulee North Regional Water Treatment Plant. As stated earlier, the developer of Lighthouse Point will construct the water plant on the development site and convey it to the utility. The Yulee North Regional Water Treatment Plant has a proposed capacity of 100,000 gallons per day (gpd). The plant will have two wells and will use aeration for hydrogen sulfide removal and chlorination for disinfection purposes.

Wastewater service will be provided by connecting customers to the utility's existing Nassau Regional Wastewater Treatment Plant. The developer has obtained a permit for the construction of a collection system at Lighthouse Point. The project includes 1,339 feet of gravity line, nine manholes, and two liftstations. The utility's wastewater treatment plant is located several miles from the proposed territory. In addition to the onsite collection system, there will also be approximately 27,000 feet of force main constructed to connect the development to the utility's wastewater treatment facility. Construction of the force main is underway and nearing completion. According to the construction permit, the

average daily flow associated with the project will be 19,000 gpd. The developer is also conveying these facilities to the utility through the developer agreement.

UWF's wastewater treatment plant uses a secondary treatment, activated sludge process, and has four percolation ponds used for effluent disposal. Because of recent rule changes related to the percolation ponds, the Department of Environmental Protection's (DEP) permitted flow capacity for this facility is currently restricted to two operating ponds at 150,000 gpd. Modifications to the other ponds are currently underway and are expected to be completed later this year. When the ponds are completed, the plant's permitted flow capacity will be rated at 300,000 gpd. Since the present flows to this facility average 130,000 gpd, there will be adequate remaining plant capacity to accommodate the projected 19,000 gpd from the development. The DEP has no outstanding notices of violation issued for this system.

With respect to financial ability, the utility submitted copies of the consolidated financial statement of United Waterworks, which showed a net operating income of \$38,765,000. The utility also provided its own financial statement which shows a net operating income of \$5,256,000.

With respect to technical ability, the application states that both the utility and its parent company, United Waterworks, have extensive knowledge of regulations and vast experience in working with regulatory agencies. Technical ability was also promoted through a discussion of past and present actions. For example, the utility stated it was a leader in the use of telemetry equipment in the operation of utility systems. The implementation of this equipment has proven to be an efficient, effective, and economical tool for monitoring, operating, and maintaining its systems.

The utility also indicated that it is able to carefully plan for plant expansions and the development of its collection and distribution systems due to its in-house staff of highly trained engineers. The utility indicated in its application that reuse will be considered for effluent disposal in the future. The utility is currently in the process of negotiating with developers to dispose of its treated effluent on a soon to be constructed golf course. That golf course is part of a planned residential

community of 600 potential connections called the North Hamptons development. In order to provide reuse quality effluent, the utility will be using its in-house staff to plan the upgrading of its wastewater treatment plant. With respect to rates and charges reflecting reuse service when it becomes available from this facility, the utility is expected to file with this Commission amended tariff sheets addressing such service. Finally, the utility represented in its application that it is technically able to handle customer service through a trained team of field service representatives.

The utility has filed revised tariff sheets incorporating the additional territory into its tariff. UWF's current service availability charges are set forth in Order No. PSC-01-0857-PAA-WS, issued April 2, 2001, in Docket No. 000610-WS, which was made final and effective by Order No. PSC-01-1039-CO-WS, issued April 30, 2001. The utility's current monthly service rates were approved in a recent administrative price index and pass through proceeding. The utility indicates that this extension will not have a substantial impact on its monthly rates and service availability charges. Totaling about 173 ERCs, the area to be served will include 143 single family homes and two commercial customers. This development will use about 60,550 gpd (173 ERCs x 350 gpd/ERCs = 60,550 gpd) at buildout.

Based on the above, we find that there is a need for service and that the utility has demonstrated the financial and technical ability necessary to provide quality service to these customers. Therefore, UWF's amended application for amendment of Certificates Nos. 236-W and No. 179-S is hereby approved. The utility shall charge the customers in the territory added herein the rates and charges contained in its present tariff until authorized to change by this Commission in a subsequent proceeding. The utility shall file proof of ownership or continued use of the land upon which the water treatment facilities will be located by November 19, 2001.

This docket shall remain open to allow our staff to verify that UWF has filed proof of ownership or continued use of the land upon which the water treatment facilities will be located. Once this information has been verified, this docket shall be closed administratively.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that United Water Florida Inc.'s amended application for amendment of Certificates Nos. 236-W and 179-S is hereby approved. It is further

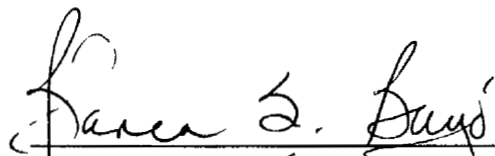
ORDERED that Certificates Nos. 236-W and 179-S shall be amended to include the territory set forth in Attachment A, attached hereto, which is incorporated herein by reference. It is further

ORDERED that United Water Florida Inc. shall charge the customers in the territory added herein the rates and charges contained in its present tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that United Water Florida Inc. shall file proof of ownership or continued use of the land upon which the water treatment facilities will be located by November 19, 2001. It is further

ORDERED that this docket shall remain open to allow Commission staff to verify that United Water Florida Inc. has filed proof of ownership or continued use of the land upon which the water treatment facilities will be located. Once this information has been verified, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 22nd day of May, 2001.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/or wastewater 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.



UNITED WATER FLORIDA INC.

PROPOSED ADDITIONAL AREA

TERRITORY DESCRIPTION

NASSAU COUNTY

PARCEL A:

A portion of Section 41, Township 3 North, Range 28 East, Nassau County, Florida; and being more particularly described as follows: commence at the Southwesterly corner of said Section 41 and run North 38°52'12" East a distance of 2,195.86 feet to the Point of Beginning. Commencing at the POINT OF BEGINNING; thence North 51°39'06" West a distance of 33.18 feet, thence N 11°22'59" W, a distance of 27.58 feet; thence N 37°25'48" W, a distance of 18.41 feet; thence N 62°04'36" W, a distance of 23.16 feet; thence N 35°52'38" E, a distance of 45.11 feet; thence N 49°31'37" E, a distance of 26.25 feet; thence N 51° 37'13" E, a distance of 54.72 feet; thence N 49°13'18" E, a distance of 45.67 feet; thence N 53°46'51" E, a distance of 13.49 feet; thence N 51°12'14" E, a distance of 39.41 feet; thence N 50°29'46" E, a distance of 45.47 feet; thence N 73°05'52" E, a distance of 20.40 feet; thence N 42°03'14" E, a distance of 14.40 feet; thence N 64°52'19" E, a distance of 41.45 feet; thence S 81° 02'48" E, a distance of 29.86 feet; thence S 26°04'00" E, a distance of 12.91 feet; thence S 69°32'45" E, a distance of 18.93 feet; thence S 27°26'46" W, a distance of 31.04 feet; thence S 61°01'23" W, a distance of 20.38 feet; thence S 25°21'00" W, a distance of 12.26 feet; thence S 74°11'45" W, a distance of 12.57 feet; thence S 31°24'11" W, a distance of 20.52 feet; thence S 52°33'18" W, a distance of 24.88 feet; thence S 24°21'58" W, a distance of 25.11 feet; thence S 41°21'56" W, a distance of 31.03 feet; thence S 56°17'25" W, a distance of 16.53 feet; thence S 27°31'46" W, a distance of 26.98 feet; thence S 35°58'10" W, a distance of 20.07 feet; thence S 89°51'21" W, a distance of 6.94 feet; thence S 15°29'53" W, a distance of 10.92 feet; thence S 47°15'30" W, a distance of 79.67 feet; thence S 64°49'00" W, a distance of 44.05 feet to the POINT

OF BEGINNING; said described tract containing 0.8 acres, more or less.

PARCEL B:

A portion of Sections 37 and 38, Township 3 North, Range 27 East and a portion of Sections 41 and 42, Township 3 North, Range 28 East, Nassau County, Florida; and being more particularly described as follows: Commence at the line dividing Range 27 East and Range 28 East and the Southeasterly corner of said Section 38 and run South  $0^{\circ}18'09''$  East along the Easterly of said Section 37 a distance of 741.91 feet to the Point of Beginning. Thence continue S  $0^{\circ}18'09''$  E along the Easterly line of said Section 38 a distance of 69.57'; thence N  $86^{\circ}11'17''$  W, a distance of 424.99'; thence S  $1^{\circ}36'36''$  W, a distance of 160.32'; thence N  $86^{\circ}15'45''$  W a distance of 422.12' to the division line of said Sections 37 and 38; thence N  $42^{\circ}42'33''$  E along said division line of Sections 37 and 38 a distance of 543.05'; thence N  $7^{\circ}50'07''$  E, a distance of 1007.05'; thence N  $7^{\circ}01'01''$  E, a distance of 180.84'; thence N  $7^{\circ}08'56''$  E, a distance of 313.26' to the marshlands of Bells River; thence along the marshlands of Bells River the following described courses thence N  $82^{\circ}31'20''$  E, a distance of 12.06'; thence N  $82^{\circ}31'20''$  E, a distance of 67.62'; thence N  $86^{\circ}35'14''$  E, a distance of 59.73'; thence N  $80^{\circ}30'49''$  E, a distance of 64.95'; thence N  $72^{\circ}08'42''$  E, a distance of 40.90'; thence N  $76^{\circ}57'20''$  E, a distance of 137.91'; thence N  $77^{\circ}31'49''$  E, a distance of 133.61'; thence N  $67^{\circ}06'52''$  E, a distance of 156.14'; thence N  $58^{\circ}37'10''$  E, a distance of 146.73'; thence N  $53^{\circ}13'51''$  E, a distance of 74.83'; thence N  $64^{\circ}30'11''$  E, a distance of 99.62'; thence N  $56^{\circ}34'23''$  E, a distance of 86.53'; thence N  $65^{\circ}52'10''$  E, a distance of 109.04'; thence N  $56^{\circ}15'15''$  E, a distance of 77.46'; thence N  $53^{\circ}39'28''$  E, a distance of 118.72'; thence N  $52^{\circ}40'20''$  E, a distance of 116.92'; thence N  $69^{\circ}46'46''$  E, a distance of 23.76'; thence N  $46^{\circ}04'52''$  E, a distance of 50.29'; thence N  $65^{\circ}06'41''$  E, a distance of 26.49'; thence S  $77^{\circ}55'41''$  E, a distance of 18.30'; thence S  $16^{\circ}48'49''$  E, a distance of 15.09'; thence S  $55^{\circ}20'53''$  E, a distance of 28.77'; thence N  $83^{\circ}12'28''$  E, a distance of 24.73'; thence S  $55^{\circ}20'15''$  E, a distance of 38.98'; thence N  $76^{\circ}54'50''$  E, a distance of 33.94'; thence S  $3^{\circ}39'41''$  E, a distance of 25.60'; thence S  $23^{\circ}07'03''$  E, a distance of 24.98'; thence S  $5^{\circ}26'40''$  W, a distance of 20.33'; thence S  $55^{\circ}39'08''$  E, a distance of 8.04'; thence S  $12^{\circ}56'06''$  E, a distance of 28.25'; thence S  $23^{\circ}38'33''$  W, a distance of 35.46'; thence S  $20^{\circ}19'29''$  W,

a distance of 59.40'; thence S 25°16'16" W, a distance of 27.41';  
thence S 8°37'02" W, a distance of 29.90'; thence S 0°25'56" E, a  
distance of 72.04'; thence S 22°04'29" E, a distance of 37.00';  
thence S 7°59'04" E, a distance of 38.70'; thence S 60°09'29" E, a  
distance of 24.32'; thence S 5°49'02" W, a distance of 25.67';  
thence S 5°18'25" W, a distance of 35.86'; thence S 7°42'56" E, a  
distance of 28.15'; thence S 11°16'27" W, a distance of 41.33';  
thence S 14°02'58" W, a distance of 41.17'; thence S 15°02'41" W,  
a distance of 31.67'; thence S 35°46'42" W, a distance of 27.06';  
thence S 60°21'12" W, a distance of 23.70'; thence S 25°08'49" W,  
a distance of 11.24'; thence S 32°02'26" E, a distance of 14.69';  
thence S 42°26'30" W, a distance of 27.75'; thence S 11°33'17" W,  
a distance of 25.13'; thence S 21°30'26" E, a distance of 27.28';  
thence S 10°36'18" E, a distance of 17.88'; thence S 86°04'47" E,  
a distance of 21.07'; thence S 62°35'27" E, a distance of 20.23';  
thence S 45°55'19" E, a distance of 38.47'; thence S 46°37'11" E,  
a distance of 55.38'; thence S 63°28'40" E, a distance of 24.59';  
thence S 39°42'27" E, a distance of 37.05'; thence S 27°54'48" E,  
a distance of 42.47'; thence S 2°19'52" W, a distance of 23.03';  
thence S 39°36'55" W, a distance of 30.45'; thence S 38°38'36" W,  
a distance of 21.36'; thence S 38°59'21" W, a distance of 28.93';  
thence N 72°49'59" W, a distance of 32.02'; thence N 89°24'03" W,  
a distance of 38.88'; thence N 89°41'05" W, a distance of 27.40';  
thence S 79°18'20" W, a distance of 75.71'; thence S 75°48'28" W,  
a distance of 41.85'; thence S 59°42'46" W, a distance of 58.63';  
thence S 40°28'15" W, a distance of 33.22'; thence S 37°38'52" W,  
a distance of 31.54'; thence S 35°50'42" W, a distance of 51.69';  
thence S 21°54'33" W, a distance of 48.29'; thence S 21°22'04" W,  
a distance of 21.23'; thence S 11°15'49" E, a distance of 28.29';  
thence S 65°19'58" W, a distance of 20.75'; thence S 11°36'55" E,  
a distance of 8.15'; thence S 0°30'20" W, a distance of 2.89';  
thence S 86°23'50" E, a distance of 32.20'; thence S 32°25'11" E,  
a distance of 26.83'; thence S 30°25'03" E, a distance of 43.26';  
thence S 29°55'11" E, a distance of 39.01'; thence S 32°01'55" E,  
a distance of 35.11'; thence S 49°23'05" E, a distance of 26.03';  
thence S 46°36'20" E, a distance of 18.94'; thence S 6°26'33" W, a  
distance of 15.76'; thence S 15°05'42" E, a distance of 32.34';  
thence S 24°33'37" W, a distance of 32.29'; thence S 9°22'41" W, a  
distance of 42.51'; thence S 39°35'54" W, a distance of 45.24';  
thence S 38°06'28" W, a distance of 52.95'; thence S 22°49'29" W,  
a distance of 25.22'; thence S 62°00'04" W, a distance of 28.28';  
thence S 24°13'59" E, a distance of 19.47'; thence S 82°24'37" E,

a distance of 39.05'; thence S 86°10'23" E, a distance of 23.58'; thence S 68°47'00" E, a distance of 45.42'; thence S 78°26'37" E, a distance of 32.62'; thence S 26°54'54" E, a distance of 30.14'; thence S 24°09'47" W, a distance of 27.53'; thence S 78°42'45" E, a distance of 16.01'; thence S 0°12'05" W, a distance of 39.57'; thence S 36°29'11" W, a distance of 35.52'; thence S 49°45'48" E, a distance of 39.34'; thence S 46°20'30" E, a distance of 31.14'; thence S 15°07'18" W, a distance of 29.42'; thence S 15°39'27" W, a distance of 40.67'; thence S 6° 36'22" W, a distance of 31.65'; thence S 22°05'12" W, a distance of 46.99'; thence S 46°16'32" W, a distance of 63.64'; thence S 25°34'50" W, a distance of 22.47'; thence S 11°44'45" E, a distance of 29.33'; thence S 53°27'19" E, a distance of 57.26'; thence S 20°43'56" W, a distance of 38.37'; thence S 77°09'13" W, a distance of 20.52'; thence S 62°47'36" W, a distance of 31.16'; thence S 76°32'03" W, a distance of 48.66'; thence N 76°11'15" W, a distance of 52.94'; thence S 58°58'38" W, a distance of 46.29'; thence N 78°18'09" W, a distance of 50.83'; thence S 75°12'49" W, a distance 36.75'; thence S 18°42'18" E, a distance of 16.09'; thence S 19°54'06" W, a distance of 21.33'; thence S 76°27'00" W, a distance of 33.00'; thence S 81°34'40" W, a distance of 22.41'; thence S 59°29'53" W, a distance of 30.09'; thence S 59°10'16" E, a distance of 96.56'; thence S 74°27'10" W, a distance of 70.92'; thence S 89°36'10" W, a distance of 30.43'; thence N 53°36'30" W, a distance of 26.76'; thence S 70°19'37" W, a distance of 20.49'; thence S 46°09'19" W, a distance of 87.37' to the centerline of a 6' creek; thence along the centerline of said creek the following described lines; thence S 88°16'20" W, a distance of 199.58'; thence N 77°33'21" W, a distance of 143.81'; thence N 73°32'07" W, a distance of 135.11'; thence S 81°39'46" W, a distance of 176.92'; thence South 81°39'46" West a distance of 24.10' to the POINT OF BEGINNING; said described tract containing 72.3 Acres, more or less.