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May 7, 1991

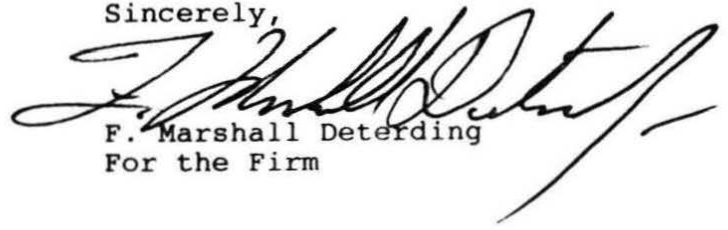
Mr. Steve Tribble, Director
 Division of Records and Reporting
 Florida Public Service Commission
 101 East Gaines Street
 Tallahassee, Florida 32399-0850

Re: PSC Docket No. 910111-WS; Complaint of
 Sandy Creek Airpark, Inc., against
 Sandy Creek Utilities, Inc.
Our File No. 28031.01

Dear Mr. Tribble:

Attached for filing in the above-referenced case are the original and fifteen (15) copies of the direct testimony of Mr. Greg Delavan. Should you or any members of your Staff have any questions in this regard, please do not hesitate to contact me.

Sincerely,



F. Marshall Deterding
 For the Firm

- ACK
- AFA
- APP FMD:lcb
- CAF
- CMU Enclosures
- CTR cc+ Matthew Feil, Esquire
- EAG Mr. Ralph Von Fossen
- LEG Mr. John Williams
- LIN B. Kenneth Gatlin, Esquire
- OPC Mr. Greg Delavan
- RCH Nard Helman, Esquire
- SEC
- WAS
- QTH

DOCUMENT NUMBER-DATE

04483 MAY-7 1991

PSC-RECORDS/REPORTING

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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DOCKET NO. 910111-WS

3 PREFILED DIRECT TESTIMONY OF MR. GREG DELAVAN

4 Q. Please state your name and employment address.

5 A. My name is Greg Delavan. I am Vice President of
6 Sandy Creek Airpark, Inc., 1C Airway, Panama City,
7 Florida 32404.

8 Q. By whom are you employed?

9 A. By Sandy Creek Airpark, Inc., a single-family
10 residential development for persons wishing to have
11 direct and convenient access to their homes by
12 airplane. Phase I and II of the development
13 include approximately 100 single-family residential
14 lots and 3 commercial sites.

15 Q. How long have you been employed by Sandy Creek
16 Airpark, Inc.?

17 A. I became involved with Sandy Creek Airpark, Inc.,
18 in May of 1987, and since that time I have been
19 Managing Director primarily responsible for the
20 development and in our attempts to obtain utility
21 service and approved plats for Phase II.

22 Q. Could you please give us some history of this area
23 as it relates to Sandy Creek Utilities, Inc., the
24 only existing central water and sewer utility
25 system in the area?

1 A. Yes. Originally, when the Utility was built and
2 development began in this area all of the land
3 surrounding the current Utility system and the
4 Utility system itself were owned by the original
5 developer, who also developed the Sandy Creek
6 Airpark, Phase I area in approximately 1984. In
7 fact, that original developer, after construction
8 of the utility facilities, required that each lot
9 purchaser agree to acceptance of service from the
10 utility through covenants and restrictions required
11 for all lot sales during the remaining period of
12 his ownership.

13 In 1985, the property currently comprising the
14 Sandy Creek Airpark, including the corporate
15 entity, Sandy Creek Airpark, Inc., was sold to its
16 current owners. At that time, there was an
17 existing line owned by the Utility serving several
18 lots in Phase I of the Airpark development, and
19 Phase II at this time was only an unrecorded plat,
20 (though the original developer had sold two lots in
21 Phase II prior to transfer of the Airpark to its
22 current owners). This line runs through all of
23 Phase I. Since that time, as each individual
24 residence has requested service, and with payment
25 of the appropriate service availability fee and

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1 connection of the appropriate equipment, the
2 Utility has always provided service upon demand to
3 those Phase I property owners. That policy has
4 changed recently. However, I will discuss that
5 situation later.

6 Shortly after sale of Sandy Creek Airpark,
7 Inc., to its current owners, Capital Bank of Miami,
8 the primary lender on the Sandy Creek Ranch
9 project, including the Utility and all lands of the
10 golf and tennis community, foreclosed upon that
11 property, including the Utility and those lands.
12 Capital Bank continues to operate the Utility to
13 this date, and to own much of the land on which
14 existing water distribution and sewage collection
15 facilities exist at this time.

16 Not only has Sandy Creek Airpark Phase II been
17 denied the right to hookup water and sewer lines
18 installed to receive service, but the Utility owns
19 existing water and sewer lines in Sandy Creek
20 Airpark I, to which it has refused to connect any
21 customers since December. In fact, in other areas
22 nearby, where individual lot owners had purchased
23 property from Capital Bank or its predecessor,
24 service has also been recently denied. So there
25 are many individuals who are also interested in

1 seeing to it that the Utility is required to
2 provide service to this area in addition to Sandy
3 Creek Airpark, Inc.

4 Q. Now that you have given us a brief history of the
5 ownership of the property served by the Utility and
6 the Airpark, can you please provide us with a brief
7 discussion of the circumstances surrounding your
8 dealings with the Utility during the approximately
9 four year period since you became involved with
10 Sandy Creek Airpark, Inc.?

11 A. Yes. Since I first became involved with Sandy
12 Creek Airpark, Inc., I have been trying to obtain
13 utility services from the Utility, and I was always
14 assured that when capacity became available, the
15 entire Airpark would receive such service. It is
16 my understanding from the information I had in my
17 files at the time I started work for the Airpark,
18 that this pursuit of water and sewer utility
19 services from Sandy Creek Utilities, Inc., did not
20 start with me. However, there existed a general
21 understanding that utility service would be
22 available to all developable property in the area
23 when capacity was expanded, so that no formal
24 discussions were necessary.

25 In August of 1987, I contacted the Utility's

1 local management in order to request that the
2 Utility discuss their design criteria. Of course,
3 as had always been the case, and until recently
4 continued to be the case, as individuals began to
5 need service to their lots which were located
6 adjacent to a line owned by the Utility, they
7 simply requested such service and upon payment of
8 the appropriate service availability fee for their
9 individual lot, that service was provided. Since
10 no line existed in Phase II, we expressed to the
11 Utility our understanding that we would be required
12 to construct those facilities.

13 In addition, the Utility at that time was
14 operating its system at almost capacity, with the
15 available capacity to serve only approximately 20
16 additional residences. We were informed by the
17 Utility verbally that this remaining capacity would
18 not be made available to Sandy Creek Airpark, and
19 that the bank intended to retain it for use in
20 serving lots owned by them which may need service
21 in the near future. The Utility assured us that it
22 would be constructing additional capacity, and we
23 continued to frequently and periodically contact
24 the Utility concerning the need for service to
25 Sandy Creek Airpark.

1 At this time, the Utility was utilizing lands
2 owned by Sandy Creek Airpark in the location of
3 proposed Phase II of the Airpark for spray of their
4 treated effluent. While there was no formal
5 arrangement to allow the Utility to utilize the
6 Airpark's property, we, in a spirit of cooperation,
7 continued to authorize the use of this land for
8 some time in conjunction with assurances from the
9 Utility that upon expansion of their system, this
10 use would be discontinued. We were continually
11 assured that such expansion was immediately
12 forthcoming, and service would be provided to Phase
13 II of the Airpark once that expansion was
14 completed, and they would be able to discontinue
15 use of the Airpark's property as a sprayfield at
16 that time. For almost a year after that time, I
17 continued to communicate with their project manager
18 and engineers to track their progress, but saw very
19 little actual progress in fulfilling the promises
20 they had relayed to me and the regulatory agencies.
21 By this time, the Department of Environmental
22 Regulation was pressuring the Utility to bring
23 their operation into compliance with regulatory
24 standards. I was informed that a Mr. Serafin Leal,
25 Executive Vice President of Somerset Development

1 Corporation, was in charge of the Utility. In June
2 of 1988, we were ready to begin construction on
3 Phase II of the Airpark and needed them to
4 immediately discontinue use of that property as a
5 sprayfield, as they had assured us they would do.
6 In July I discussed this issue, as well as design
7 details of our proposed expansion with Mr. Leal,
8 and followed with a letter which I have attached to
9 my testimony as Exhibit "____." (GD-1) On August
10 24, 1988, I met with Mr. Leal in Miami and was
11 advised that the developer was awaiting their
12 permit from DER and that Mr. Moricet of DER had
13 approved their design. I agreed to allow the spray
14 irrigation to continue until the end of 1988
15 pending plant completion. I subsequently met with
16 Mr. Michael Paul at Capital Bank's Miami offices
17 and received the same assurances regarding their
18 intention to build the facility immediately and to
19 provide service to Sandy Creek Airpark. In fact,
20 Mr. Paul agreed to allow us to utilize three of
21 their remaining twenty connections for the Airpark,
22 at that time.

23 In the fall of 1988, Ms. Carol Daugherty
24 Anderson became the Project Manager for Capital
25 Bank's properties at Sandy Creek. Ms. Anderson

1 kept me informed regarding the progress and
2 confirmed the Utility's intentions to vacate our
3 property and to provide service as soon as
4 possible. About that time, Mr. Paul visited Sandy
5 Creek and advised that they were still in the
6 bidding/permitting process but could be built in
7 sixty days and still would be complete on schedule.
8 January of 1989 arrived, the date by which the
9 Utility representatives had continually assured us
10 service would be available and they would be
11 discontinuing use of our property for spray
12 irrigation. The same verbal assurances continued
13 to be made but no evidence of progress was
14 apparent. We began to suspect that the Utility was
15 stalling and abusing the trust that we had placed
16 in them in allowing them to continue to use our
17 property for spray irrigation of effluent at no
18 cost, and in believing their assurances that they
19 would complete expansion in an expeditious manner
20 and provide service to the Airpark's second phase.
21 Phase II construction had been delayed over a year
22 by this time, and was becoming a significant
23 handicap to continued development of our property.
24 Since it was apparent that decisions were being
25 made on behalf of the Utility by Mr. Mike Paul in

1 Miami, we contacted Mr. Nard Helman, an attorney in
2 Miami, and asked that he obtain a commitment to
3 provide service so that we could proceed with our
4 permits and construction. He received verbal
5 assurances and continued to negotiate with Mr. Paul
6 on our behalf. By this time, we had been provided
7 with enough design information to allow our
8 engineer to design Phase II. We had our engineer
9 do that preparation of design and prepared to build
10 as soon as use of our property for spray by the
11 Utility was eliminated. By May of 1990, we were
12 unable to complete sales to interested buyers
13 because we could not build Phase II, and we further
14 attempted to have the Utility find an alternative
15 spray area, and even agreed to provide one for
16 them. The only response we obtained from the
17 Utility was reference of the issue to local
18 counsel, Jacalyn Kolk, and for the first time, at
19 that point, the Utility's management and their
20 legal counsel responded to us in writing. The gist
21 of those responses was to disavow any knowledge of
22 any previous dealings with the Airpark over the
23 approximately two and one-half years we had been
24 discussing these matters. It became very obvious
25 to me by this time the Utility was stalling. A

1 copy of some of our correspondence and these first
2 responses to us are attached hereto as Exhibit
3 "_____" (GD-2) Because of this uncooperative
4 attitude, the relationship between the Utility
5 representative, Mr. Paul, and Sandy Creek Airpark
6 became somewhat strained at this point in time,
7 though their representative at the Utility, Ms.
8 Anderson, continued to remain cooperative to the
9 extent possible given what appeared to be orders to
10 stall the Airpark and not provide us with service.
11 We were able to reach a compromise agreement
12 regarding realignment of their use of our property
13 for sprayfields away from our roads, and to spray
14 only when our construction crews were not working.
15 This created many problems for us but it was
16 preferable to the delays in expansion that court
17 action against the Utility might have required, and
18 putting the Utility out of business was neither our
19 goal nor in the best interest of the Airpark or the
20 community in general.

21 We began construction of our roads, and sewer
22 and water facilities in August, and completed in
23 December of 1989. Although the Utility was
24 supposed to be doing similar construction (Ms.
25 Anderson and their contractor both expected to be

1 on-line with the new facility by January of 1990
2 and indicated they would be able to provide service
3 to the Airpark at that time), they finally
4 completed construction of most of their project by
5 July of 1990 and removed the sprayfield from our
6 property. Some of the spray irrigation lines and
7 facilities remain to this day and are exposed and
8 above ground in some areas. During this
9 construction period we continued to attempt to
10 obtain the service agreement so we would be on-line
11 and ready when the Utility was ready to accept our
12 Phase II line. We hand delivered a proposed
13 agreement to Ms. Anderson on February 8, 1990, and
14 again formally requested service. We received no
15 response. We contacted Ms. Anderson verbally and
16 she responded that Mr. Paul did not like the
17 agreement and requested that we submit to their
18 engineer, Mr. Bob King, our design drawings for
19 review as his approval was necessary. Our
20 engineer, Mr. David Silvey, had been consulting
21 with Mr. King for some time to insure that we were
22 building in accordance with their system
23 requirements. We submitted the plans for our
24 system on April 3, 1990, and Mr. King's response,
25 as directed by the Utility, was to request a review

1 fee of \$880 for his engineering services after
2 receiving these plans. When I received Mr. King's
3 letter, I again requested a service agreement in
4 response to our previous proposal. Ms. Anderson
5 advised that we must have the engineer's approval
6 first and needed the inspection fee to proceed.
7 The \$880 was paid by check dated June 20, 1990. A
8 copy of the check and Mr. King's letter requesting
9 it are attached hereto as Exhibit "____." (GD-3)
10 Mr. Silvey and Mr. King corresponded, and after Mr.
11 Silvey further discussed these proposed plans, Mr.
12 King gave verbal approval of the design standards.
13 Three months after submittal of the fee, after
14 waiting for a response, I pressed Ms. Anderson
15 since we had received informal approval from Mr.
16 King, through our engineer Mr. Silvey, I was
17 advised that our original proposal for service had
18 been lost and to please provide another. I did so
19 on September 24, 1990 [see Exhibit "____." (GD-4)]
20 Again, we pressed Ms. Anderson for a response. We
21 were then verbally advised that Mr. Paul wanted "up
22 front money" from us and I then requested that we
23 receive a written response from them advising what
24 they were demanding, and what it was for. Again,
25 no response was received for several months. We

1 then decided it was time to pursue formal action
2 against the Utility at the Public Service
3 Commission, and became involved in the Utility's
4 rate proceeding and began this complaint process.

5 Q. Did the Utility's engineer ever, in writing,
6 approve of your plans?

7 A. Yes. By letter dated December 20, 1990, to Ms.
8 Carol Anderson, Mr. King, expressed approval of our
9 plans under the terms and conditions which we had
10 all agreed upon several months before that date. A
11 copy of our engineer's letter to the Utility's
12 engineer showing the revised plans for our proposed
13 water and sewer system after discussion and
14 agreement as to changes from May 18, 1990, as well
15 as Mr. King's response approving those plans in
16 December of 1990, are attached hereto as Exhibit
17 "___." (GD-5)

18 Q. Have you had any experiences over the last four
19 months since you began working toward the formal
20 complaint process with relation to the provision of
21 service by the Utility?

22 A. Yes. As the Commission is well aware, the Utility
23 was serving outside its service territory. This
24 fact became apparent to the Commission Staff during
25 the processing of a staff assisted rate case

1 currently pending before the Commission. We became
2 aware that the Commission was intending to require
3 the Utility to file for an extension of service
4 territory to include those areas currently being
5 served. We then also became aware that the Utility
6 intended to file for this extension only to include
7 those lots currently served, or owned by Capital
8 Bank, and to exclude even those properties that are
9 immediately adjacent to their existing lines simply
10 because they don't have a house constructed which
11 is being served on them at this time. We felt that
12 this was absurd, not only to our interests, but to
13 the public interest as well. I believe the
14 Commission Staff agrees that such a proposal is not
15 workable. We therefore attended the Commission's
16 Agenda Conference where the initial Staff
17 Recommendation on the Company's staff assisted rate
18 increase request was heard. We attempted to
19 convince the Commissioners to instruct the Utility
20 that lot by lot extension of service territory was
21 not acceptable. The Commission, apparently feeling
22 that the staff assisted rate case was the wrong
23 docket in which to address these questions,
24 declined to express the directive in a rate case
25 order.

1 Since that time, I have requested service for a
2 lot which I own in Phase II of the Airpark. I am
3 attaching a copy of my request letter hereto as
4 Exhibit "___." (GD-6) In response to that inquiry,
5 I received the attached Exhibit "___" (GD-7) from
6 Mr. Gatlin which simply states that because the lot
7 requested to be provided with service is outside
8 the existing service territory of Sandy Creek
9 Utilities, it will not be possible to extend water
10 and sewer service at this time. I believe this
11 demonstrates the whole problem with their proposed
12 extension policy. Those who need service and are
13 close to their existing facilities and are willing
14 to provide them with the necessary facilities to
15 connect to their existing system, still cannot
16 receive service from the Utility. Though the
17 Airpark can probably receive approval for septic
18 tanks, that is certainly not in the public
19 interest, especially given the substantial excess
20 capacity in these treatment facilities which the
21 Utility has just added. This position makes no
22 sense from an economic or from an environmental
23 standpoint.

24 Q. Are you aware of any other situations in which
25 persons have requested service and that has been

1 denied?

2 A. Yes. It is my understanding that several people,
3 even in Phase I of the Airpark, which is served by
4 an existing line owned by the Utility since long
5 before the Airpark and the Utility were owned by
6 different persons, have requested service and have
7 been denied that service in recent months. I have
8 attached hereto the original letter from a Mr. W.C.
9 Rogers, who owns Lot 41 in Sandy Creek Airpark
10 Phase I, to the Utility requesting utility service.
11 I am also attaching Mr. Rogers' follow-up letter to
12 me concerning this situation and the response
13 ultimately received from the Utility's attorney,
14 Mr. B. Kenneth Gatlin. These letters are attached
15 as Exhibit "____." (GD-8) This is a major change
16 from past experience when any time a person on an
17 existing line requested service, upon payment of
18 the existing service availability charges and
19 connection of the necessary facilities, those
20 persons were provided with water and sewer utility
21 services. This was the policy as recently as
22 December, 1990 when Mr. and Mrs. Moody received
23 service for Sandy Creek Airpark Phase I, Lot 33.

24 Q. Do you believe you have complied with the rules of
25 the Florida Public Service Commission in requesting

1 service?

2 A. While we may not have provided them specifically
3 with all the documentation which I now understand
4 is outlined in the Commission's rules on any one
5 occasion, we have certainly endeavored to provide
6 them with whatever they requested in a very timely
7 manner. It is quite apparent after four years of
8 continuing attempts to obtain service from them
9 that they have no intention of providing us service
10 unless forced to do so. I believe the
11 correspondence between us amply demonstrates this
12 fact, as does their proposal for extension of
13 service territory on a lot by lot basis. Most, if
14 not all, of the information required by the
15 Commission rule for an application for service,
16 they already have in their possession as the
17 previous owners of the property and from informal
18 transfer of information between us and the Utility
19 in prior years. Their employees even helped to
20 supervise installation of the Phase II water and
21 sewer lines and they have the as-built plans for
22 these facilities.

23 They have never specifically requested from us
24 any information that we have not provided to them.
25 They have never provided any forms or advised us as

1 to what was necessary to apply for service, as
2 required by the PSC's rules. In addition, despite
3 their allegations, they have never provided a
4 proposed developer agreement to us; in fact, we
5 have proposed one to them since we could not get
6 them to do so, and that has been ignored.

7 I cannot conceive of the Public Service
8 Commission approving this Utility's method for
9 providing service on a piecemeal basis. This
10 cannot possibly be in the public interest, and the
11 Utility has already demonstrated that it intends to
12 use that authority (if the Commission grants it) to
13 refuse service to anybody, even on an existing
14 line.

15 Q. Do you have any further testimony to provide in
16 this regard?

17 A. Yes. I would like to make two further points. As
18 my frustration with dealing with the Utility
19 continued, I contacted the Department of HRS office
20 in Tallahassee and the Panama City area. As a
21 result of the conversations with HRS officials, a
22 letter was written to the Utility by a Mr. John
23 Heber at HRS. Basically, Mr. Heber proposed to the
24 Utility that he did not believe it was in the
25 public interest to require Sandy Creek Airpark to

1 utilize septic tanks on its development when a
2 Utility so close by had adequate capacity and was
3 able to serve and all facilities needed for such
4 service were in place. I am attaching a copy of
5 Mr. Heber's letter dated February 28, 1991 as
6 Exhibit "____." (GD-9) We contacted Mr. Heber on
7 Friday, May 3 to see if a response to his February
8 letter had yet been received from the Utility, and
9 he informed us that no such response had been
10 received by him. In fact, he noted that he had
11 recently checked with the Panama City office and
12 that they had not received any response to that
13 inquiry either.

14 Finally, I would like to note that there is
15 apparently the allegation by the Utility company
16 that we do not have the proper permits for the
17 installation of the facilities in Phase II of the
18 Airpark which we propose to utilize to connect to
19 Sandy Creek Utilities. That is not true. The
20 Utility company, in December, did sign off on our
21 proposed permit applications indicating to DER that
22 they did intend to provide service, and DER has
23 issued us construction permits for our water and
24 sewer systems which are attached hereto as Exhibit
25 "____." (GD-10)

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Q. Do you have any further comments to provide at this time?

A. No, I do not.

SP-AZ-13 PERCAOTINDY. MUNCIE, IN 47303

SANDY CREEK AIR PARK INC
1-C Airway Rd. 75
Pompano City, Florida 33104

**ORIGINAL
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July 25, 1988

Mr. Serifin Leal, Executive Vice President
Somerset Development Corporation
10700 N. Kendall Dr. Suite 205
Miami, Florida 33176

Dear Mr. Leal:

In reference to our phone conversation on July 23, 1988 I would like an update on your progress regarding sewer expansion and more specifically relocation of the spray irrigation site. I am looking forward to your approval for expanded operations and the opportunity to connect The Airpark to the community sewer system which should help support your investment. My understanding is that you should have new information regarding your permitting process by now.

The planning and engineering for our expansion through the area you now use as spray irrigation is now complete with construction to begin as soon as possible. We need to know of availability of water and sewer connections prior to road construction so all improvements can be installed concurrently, as well as a firm date for construction to begin. Please advise me of your status regarding these issues.

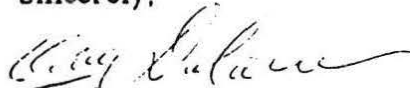
We also discussed the availability of current sewer and water expansion for immediate connection. Please send the authorization for the three connections we discussed at your earliest convenience, our construction will begin within the month.



GD-1

The Airpark and the entire Sandy Creek area seems to be enjoying a renewed interest from the local community. I am looking forward to a rebirth of your project as well as mine and to developing the kind of community we all can be proud of.

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg Delavan".

Greg Delavan
Vice President

LAW OFFICES
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A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS

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JAN M. S. BLACK

1500 SAN REMO AVENUE, SUITE 245
CORAL GABLES, FLORIDA 33146-3009
TELEPHONE (305) 666-0000
TELECOPIER (305) 666-7152
TELEX 681187 YOUNG

April 4, 1989

Mr. Greg Delavan
11918 Raintree Drive
Route 75
Panama City, Florida 32404

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Re: Sandy Creek Air Park/Utilities

Dear Greg:

Just to confirm our telephone conversation of the other day, I advised you that I had met with Michael Paul at Capital Bank regarding Sandy Creek Air Park. Mr. Paul assured me that they were proceeding with upgrading the sewer system using modulars to conform with DER requirements and that they have the necessary permit from DER to construct same. Furthermore, he informed me that Robert Regulato of Deltona was the engineer handling this matter and that Mr. Regulato would cooperate with you in showing you all plans and specs at a mutually agreeable time.

Regarding future tap-ins, Mr. Paul advised me that he would give you a letter, but it would not be binding other than the fact that if tap-ins were available when Sandy Creek Air Park wished to tap-in, you could surely tap-in at whatever the franchise dictates as a price. However, if you wish to reserve capacity in advance, then that charge would be approximately \$500.00 per lot since he would have to buy and install another module to handle the additional sewage disposal.

You advised me that you are going to meet with Mr. Regulato and if there are any problems, you would get back to me and keep me further informed as to developments. I await to hear from you.

Very truly yours,



NARD S. HELMAN

NSH/es

cc: Joel Magazine, Esq.



GD-2

LAW OFFICES
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NARD S. HELMAN
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TELEX 681187 YOUNG

April 17, 1989

Mr. Michael Paul
Capital Bank
1221 Brickell Avenue
Miami, Florida 33131

Re: Sandy Creek Air Park

Dear Mr. Paul:

I had thought, by this time, that I would've heard back from you regarding our meeting of the other day. You advised me that you would go over my proposal regarding the reservation of fifty (50) tap-ins, on behalf of Sandy Creek Air Park, and would get back to me within the next couple of days. I would appreciate hearing back from you regarding this matter as my client is most anxious to proceed accordingly.

Very truly yours,

NARD S. HELMAN

NSH/es

cc: Joel Magazine, Esq.
Mr. Greg Delavan
Mr. Rob Blue

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TELEX 681187 YOUNG

May 30, 1989

Mr. Michael Paul
Capital Bank
1221 Brickell Avenue
Miami, Florida 33131

Re: Sandy Creek Air Park / Utilities Spray
Fields

Dear Michael:

I received a telephone call from my clients advising me that they have had some positive action regarding people willing and wanting to purchase property in the Sandy Creek Air Park; however, the property the people are interested in purchasing presently lies within the spray field area that you are using. I called to discuss this matter with you, only to learn that you are out-of-town until June 13, 1989, and I would appreciate your calling me immediately upon your return.

This is an immediate problem since we need to properly plot out and prepare the property for sale, build roads, lay sewage and water lines, et al., as soon as feasibly possible.

As you know, Capital has been using the spray field at no cost and we must talk regarding this, as this cannot continue. Either the spray field should be moved to other property owned by Capital, or alternatively, relocate on property owned by Sandy Creek Air Park.

I await to hear from you.

Very truly yours,

NARD S. HELMAN

NSH/es

cc: Rob Blue, Esquire
Mr. Greg Delavan ✓
Joel Magazine, Esquire

LAW OFFICES
HELMAN, YOUNG & BLACK
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS

NARD S. HELMAN
DAVID F. YOUNG
JAN M. S. BLACK

1500 SAN REMO AVENUE, SUITE 245
CORAL GABLES, FLORIDA 33146-3009
TELEPHONE (305) 666-0000
TELECOPIER (305) 666-7152
TELEX 681187 YOUNG

June 15, 1989

Mr. Michael Paul
Capital Bank
1221 Brickell Avenue
Miami, Florida 33131

Re: Sandy Creek Air Park / Utilities Spray
Fields

Dear Michael:

If my memory serves me correct, you are to return to Miami and begin work on the 13th day of June, 1989. I am sending you a copy of the letter which I sent to you on May 30th, and request that you review it and call me immediately as this matter must be handled as top priority.

Thank you for your attention to this matter.

Very truly yours,

NARD S. HELMAN

NSH/es
encl.(stated)

cc: Rob Blue, Esquire
Mr. Greg Delavan ✓
Joel Magazine, Esquire

HILTON, HILTON, KOLK & ADAIR

ATTORNEYS-AT-LAW

EDGEWATER EXECUTIVE TOWER
SUITE 300
415 BECKRICH AT MIDDLE BEACH ROAD
PANAMA CITY BEACH, FLORIDA 32407
TELEPHONE (904) 233-3995
FAX (904) 233-3998

RECEIVED

JUN 29 1989

June 21, 1989

Law Offices of
NARD S. HELMAN, P.A.

Nard S. Helman
Helman, Young & Black
1500 San Remo Ave., Suite 245
Coral Gables, FL 32145-3009

Re: Sandy Creek Air Park/Utilities Spray Field

Dear Mr. Helman:

Your letters to Mr. Paul of May 30 and June 15 have been referred to me for handling. I would appreciate knowing what the immediate problem is. We will be glad to talk with you about this matter. Could you also let us know who you are representing at this time.

Very truly yours,

Jacalyn N. Kolk

Jacalyn N. Kolk

JNK/lvt

FAX

904-871-4163

OCT 16 1989

1221 Brickell Avenue
Miami, Florida 33131
Telephone (305) 536-1500

Law Offices of

NARD S. HELMAN
CAPITAL BANK

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 11, 1989

Nard S. Helman, Esq.
Helman, Young and Black
1500 San Remo Avenue, Suite 245
Coral Gables, Florida 33146-3009

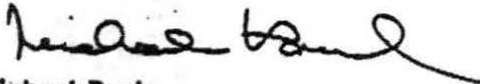
Re: Your Letter of October 6, 1989

Dear Nard:

I was advised a few days ago that your clients at the Sandy Creek Air Park may be interested in tying into the utility system for Sandy Creek Utilities, Inc. Please be advised that business for Sandy Creek Utilities is conducted at their offices in Panama City and not at Capital Bank in Miami.

Any inquiries regarding Sandy Creek Utilities, Inc. should be directed to Carol Daugherty, Vice President and General Manager. It is my understanding that services are being provided by Sandy Creek Utilities, Inc. at rates and fees approved by the Public Service Commission, subject to availability at the time of application. I am forwarding a copy of this letter, together with your letter, to Carol so that she may expect contact from your clients regarding their needs.

Very truly yours,



Michael Paul
Senior Vice President

MP/pty/dmr

cc: Carol Daugherty



April 18, 1990

ORIGINAL
FILE COPY

Mr. Dave Silvey
Dave Silvey & Associates
516 S. Tyndall Parkway, Box 1
Parker, Florida 32404

Re: Sandy Creek Air Park Phase II

Dear Dave:

I received your letter dated April 3, 1990 along with the plans showing the water and sewer lines to serve the above referenced project. In order to proceed with the review of the plans and subsequent inspection of the system, a review fee in the amount of \$880 (\$10 per lot for water, \$10 per lot for sewer) needs to be paid to Sandy Creek Utilities. This review fee is to cover the cost of engineering review of the plans and the field inspections required prior to acceptance by the utility company. I also need to see a copy of the calculations used to determine the 3" line to be adequate for the sewer line. I would also like to review the equipment you plan to use to ensure that no more than 4 units pump simultaneously.

Once Sandy Creek Utilities has received the review fee and I have received the additional information from you, I will move forward with the plans review. Once the plans are reviewed, we will schedule a time to perform a field inspection. It will be up to the owner or the contractor for the owner to conduct the tests.


Very truly yours,

Robert L. King, P.E., P.L.S.
President

cc: Ms. Carol Daugherty
Mr. Greg Delavan

Bay Engineering Services, Inc.

ENGINEERS · SURVEYORS · PLANNERS
330 W. 23rd St. - Suite D / Panama City, FL 32408
904-785-3801 / FAX: 904-785-4558

		SANDY CREEK AIRPARK, INC.		1897
		PHONE (904) 871-2911		
		1-G AIRWAY		
		PANAMA CITY, FL 32401		
PAY TO THE ORDER OF	<i>Sandy Creek Utilities</i>		<i>6/20/90</i>	
	<i>Eight hundred eighty & 00/100</i>		<i>880.00</i>	DOLLARS
Southeast Bank, N.A.				
<small>PANAMA CITY BRANCH OFFICE 100 N. MOBILE BLVD. SUITE 100 PANAMA CITY, FL 32401</small>				
<i>Rec'd Fee 5/18/90</i>		<i>Greg Delavan</i>		
#001897#	#063000212#	248 102956#	#0000088000#	

EXHIBIT

GD-3

SANDY CREEK
AIRPARK
RESIDENTIAL COMMUNITY

September 24, 1990

Mr. Mike Paul
President
Sandy Creek Utilities
1732 Hwy. 2297
Panama City, Fl. 32404

**ORIGINAL
FILE COPY**

Dear Mike:

Enclosed please find our proposed agreement for Sandy Creek Utilities to provide sewer and water service for Sandy Creek Airpark, Phase II. It is my understanding that your new treatment plant is on line and that you have sufficient capacity to expand your tariff area. Please review this draft and give me a call if you have any questions or comments. If it meets with your approval as written, just send me a letter saying so and I'll have my attorney draft the formal version for signatures.

Kindest Regards,


Greg Delavan

cc: Carol Anderson
Nard Helman, Esq.



GD-4

AGREEMENT

THIS AGREEMENT made and entered into this _____ day of February, 1990, by and between SANDY CREEK AIR PARK, INC., hereinafter referred to as "SCAP," and SANDY CREEK UTILITIES, INC., hereinafter referred to as "SCU."

WHEREAS, SCU presently has a franchise to service water and sewer to that area known as Sandy Creek Ranch, located in Panama City, Florida, and

WHEREAS, SCU presently services certain facilities of SCAP located in Phase I of the SCAP development, and

WHEREAS, SCAP is in need of obtaining additional facilities for the service of its development from SCU in the form of water and sewer, it is

NOW, THEREFORE, agreed as follows:

1. SCU shall immediately embark upon a plan to increase its franchise area with the Public Service Commission to include Phases One through Five of SCAP, which includes 213 residential/commercial facilities for water and sewer.

2. While SCU is applying for said franchise expansion, SCU acknowledges that it is enlarging its present capacity of its water and sewer system and will be able to grant immediate tie-ins for water and sewer to any developed property that is in need thereof located on that property known as SCAP Phase One or Two.

3. The cost of tap-in and services for water and sewer shall be those as set forth in the tariff presently in existence or as approved by the Public Service Commission.

4. SCU represents that the expansion of its sewer system will be completed within _____ days from the date of this Agreement, at which time SCAP shall be able to come on line.

5. SCU has inspected the water and sewer lines, as presently are in existence at SCAP in Phases One and Two, and find them to be totally acceptable, and accept those lines as part of the water and sewer system, as presently run by SCU and agreed to be responsible for the maintenance of those lines from this date forth.



David F. Silvey & Associates, Inc.
Engineers / Planners

May 18, 1990

Mr. Bob King, P.E.
Bay Engineering Services, Inc.
330 West 23rd Street
Panama City, Florida 32405

Re: Wastewater Collection System
Sandy Creek Airpark
Bay County, Florida

ORIGINAL
FILE COPY

Bob,

Please find enclosed one set of revised sewer plans for your review.

As a result of our last meeting, it is agreed to reconnect the existing 6" force main from the Airpark directly to the plant. Therefore, allowing the Airpark system to function independently of Sandy Creek Ranch.

As requested, we have enclosed calculations for a complete proposed sewer master plan. The master plan was based on the preliminary plat and enclosed for review.

Results of the calculations indicate a unit flow rate of 8-15 gallons per minute against a 49.1 ft. TDH. Several networks were analyzed and this appears to be the most critical path. Design flow and peak rate information was furnished to us by Hydromatic Pump Corporation. It is their recommendation to specify model number SPG-200 submersible hydro-grind, 2 HP at 3450 RPM with a 92 ft. shut-off head. The basin should be sized with a minimum storage of 150 gallons to prevent sewer back-up during power outages. It was also recommended to provide fixed time delay relays on each unit as a result of power outages. This would prevent all units in the development to operate simultaneously when power was restored, thus reducing initial power demand.

EXHIBIT

GD-5

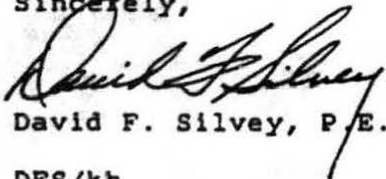
Mr. Bob King
May 18, 1990
Page 2

Phase II of the project consists of pipe sections 20 and 21 as indicated on the sewer master plan. We would recommend that pressure be monitored along Section 20 as the phase is developed. A cross connection to pipe section number 19 (6-inch diameter) can be constructed to relieve any excessive pressure that may occur.

Please review the enclosed material and call should you have any questions.

Your cooperation in this matter has been greatly appreciated.

Sincerely,



David F. Silvey, P.E.

DFS/kh

**MASTER SEWER PLAN
SANDY CREEK AIRPARK
MAY 18, 1990**

PIPE SECTION NUMBER	LENGTH (FT)	NUMBER HOMES IN SECTION	NUMBER HOMES ACCUM.	PEAK FLOW (GPM)	PIPE SIZE (IN)	VEL. (FT/ SEC.)	FRICTION LOSS	
							FT/ 100/FT	THRU SECTION
1	450	5	5	30	3	1.19	0.180	0.81
2	900	6	6	30	3	1.19	0.180	1.62
3	1050	11	22	45	4	1.08	0.110	1.16
4	500	7	7	35	3	1.39	0.24	1.20
5	700	9	9	35	3	1.39	0.24	1.68
6	580	0	16	40	4	0.96	0.09	0.52
7	900	12	12	35	3	1.39	0.24	2.16
8	1650	18	18	45	4	1.08	0.11	1.82
9	720	0	30	50	4	1.20	0.14	1.01
10	250	2	70	70	4	1.67	0.25	0.63
11	150	2	72	75	4	1.79	0.29	0.44
12	180	0	72	75	4	1.79	0.29	0.52
13	1900	26	98	100	6	1.10	0.075	1.53
14	150	3	3	30	3	1.19	0.18	0.27
15	2300	20	23	50	4	1.20	0.14	3.22
16	600	0	23	50	4	1.20	0.14	0.84
17	2400	32	32	50	4	1.20	0.14	3.36
18	700	0	32	50	4	1.20	0.14	0.98
19	2720	34	155	175	6	1.93	0.21	5.71
20	3130	46	46	50	3	1.98	0.47	14.71
21	786	0	46	50	6	0.55	0.02	0.16
22	1020	0	233	250	6	2.76	0.41	4.18

**SANDY CREEK AIRPARK
SEWER CALCULATIONS**

I. CHECK CRITICAL PATH NETWORKS FOR PRESSURE HEADS:

ASSUME PIPE SECTION NOS.: 2, 3, 10, 11, 12, 13, 19, 22

TOTAL FRICTION LOSS THRU SECTIONS:	15.80
APPROX. STATIC HEAD:	25.00
MISC (ASSUMED):	<u>5.00</u>
TDH	45.80

ASSUME PIPE SECTION NOS.: 20, 21, 22

TOTAL FRICTION LOSS THRU SECTIONS:	19.05
APPROX. STATIC HEAD:	25.00
MISC (ASSUMED):	<u>5.00</u>
TDH	49.05

ASSUME PIPE SECTION NOS.: 8, 9, 10, 11, 12, 13, 19, 22

TOTAL FRICTION LOSS THRU SECTIONS:	15.84
APPROX. STATIC HEAD:	25.00
MISC (ASSUMED):	<u>5.00</u>
TDH	45.84

ASSUME PIPE SECTION NOS.: 14, 15, 16, 19, 22

TOTAL FRICTION LOSS THRU SECTIONS:	14.22
APPROX. STATIC HEAD:	25.00
MISC (ASSUMED):	<u>5.00</u>
TDH	44.22

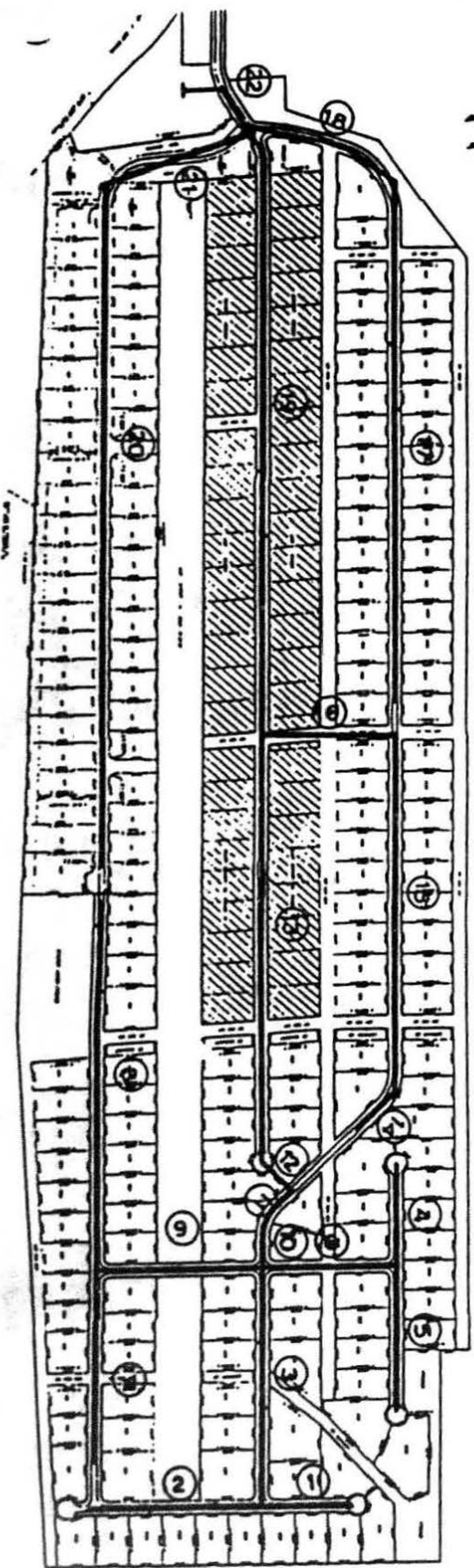
ASSUME PIPE SECTION NOS.: 17, 18, 22

TOTAL FRICTION LOSS THRU SECTIONS:	8.52
APPROX. STATIC HEAD:	25.00
MISC (ASSUMED):	<u>5.00</u>
TDH	38.52

ASSUME PIPE SECTION NOS.: 5, 6, 10, 11, 12, 13, 19, 22

TOTAL FRICTION LOSS THRU SECTIONS:	15.21
APPROX. STATIC HEAD:	25.00
MISC (ASSUMED):	<u>5.00</u>
TDH	45.21

SANDY CREEK AIR PARK
MASTER PLAN



PROPOSED MASTER SEWER PLAN
5-17-90



December 20, 1990

Mrs. Carol Anderson, Vice President
Sandy Creek Utilities, Inc.
1732 Highway 2297
Panama City, Florida 32404

Re: Sandy Creek Air Park Phase II Sewer Plans

Dear Carol:

As I have been promising for a good while now, I finally got around to reviewing the plans that Dave Silvey submitted back in May for the sewer lines to serve Greg Delevan's Air Park project. After reviewing the plans and calculations, I am still somewhat troubled by the three inch lines. According to my calculations, the capacity of the three inch line will peak out about the time the 30th unit is added to the system. I have approved the plans contingent upon the developer agreeing to loop a six inch line back to the line on Airway Drive if and when a flow problem develops. If the developer will not agree to this, I recommend not accepting the system as installed.

For the benefit of those reading this letter that do not have access to the plans, the plans were prepared by David F. Silvey & Associates, 516 S. Tyndall Parkway, Parker, Florida 32404, Job No. 8822, Sheet 8 of 16 signed and sealed by David F. Silvey May 28, 1990. The plan shows a six inch force main from the recently constructed sewage treatment plant around Airway Drive to the east to the new development and thence along the road into the development on the west and south side through the bend near lot 22 where it reduces to a three inch line. The three inch line extends through the remainder of the development with a six inch line teeing off at the second street to the north, crossing the air strip and tying into an existing PVC sewage force main on the north side of Airway Drive. It is my understanding that none of the proposed six inch line work has been installed.

The direct line to the sewage treatment plant is to be accomplished before any connections are made. The tie over of the existing main to the direct line to the plant is also a pre-connection requirement. The intent is to isolate the flow from Sandy Creek Air Park from the remainder of Sandy Creek Utilities' customers. This isolation also reduces the pressure that the pumps in Sandy Creek Air Park will have to overcome to get into the plant.

Before Sandy Creek Utilities accepts the lines and provides any service, the water lines and sewer lines should be pressure

Bay Engineering Services, Inc.

ENGINEERS SURVEYORS PLANNERS
330 W. 23rd St. - Suite D / Panama City, FL 32405
904-785-3801 / FAX: 904-785-4558

Page 2

Mrs. Carol Anderson

December 20, 1990

tested and bacteriologicals re-run on the water. I understand this was done when the system was first installed. Final acceptance should also be contingent upon the developer providing a blanket easement to all roadways for the utilities operation as well as any other easements that are needed for the proper operation of the utility.

Because the service to the Sandy Creek Air Park is the first off-site service provided by Sandy Creek Utilities to a developer that is not connected with the Sandy Creek development, I feel this is the time to establish written policies and procedures for granting service. Since the Utility is already responsible for the operation and maintenance of the system, I am of the opinion that the Utility should be installing the pumping stations for the individual buildings and that a tapping fee be established to cover the cost. This is advantageous for at least two reasons, (1) it gives you control of the quality and type of equipment used and (2) the people who will be responsible for maintaining will be the same people that install it.

To provide revenues for the next expansion, I suggest establishing an impact fee that will be paid by the builder (along with the connection fee). The impact fee could be put into an escrow account. Using the recently completed sewage treatment improvements as an example, the \$280,000 spent will provide service to 214 homes for an impact of \$1,300 per residence.

I am of the opinion that the monthly sewage charges should be used to pay for the collection system, operation, maintenance and overhead; that the connection fee should be set to cover the cost of making the taps, setting pumping stations and any other cost directly attributable to providing individual lot service; that impact fees should be charged to offset the cost of providing treatment facilities.

Let me close by emphasizing again how important it is for Sandy Creek Utilities to establish a policy for handling all the things I have mentioned. The requirements established for Sandy Creek Air Park will be setting a precedence for future connections. It is only fair to the Utility and fair to the customer to know what the rules are.

I hope this has stimulated your interest and concern to the point that it receives immediate attention. If I can be of any other assistance, do not hesitate to call.

Very truly yours,

Robert L. King, P.E., P.L.S.
President

Hand
Delivered
4/2/91

SANDY CREEK
AIRPARK
RESIDENTIAL COMMUNITY

April 2, 1991

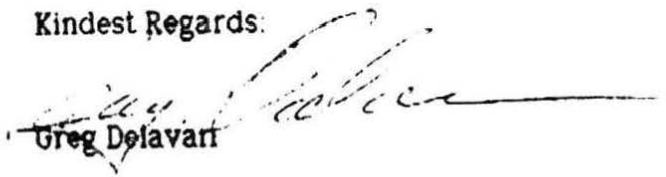
Mrs. Carol Anderson
General Manager
Sandy Creek Utilities
1732 Hwy. 2297
Panama City, Fl. 32404

ORIGINAL
FILE COPY

Dear Carol:

I would like to obtain sewer and water service for my private residence on Lot # 100 of the Sandy Creek Airpark subdivision. Please advise me of your policy and procedures as soon as possible. Ellen and I are very eager to build.

Kindest Regards:


Greg Delavant



GD-6

GATLIN, WOODS, CARLSON & COWDERY

Attorneys at Law

a partnership including professional associations

The Mahan Station
1709-D Mahan Drive
Tallahassee, Florida 32308

B. KENNETH GATLIN, P.A.
THOMAS F. WOODS
JOHN D. CARLSON
KATHRYN G.W. COWDERY
WAYNE L. SCHIEFELBEIN
ALEX D. BARKER

TELEPHONE (904) 877-7191
TELECOPIER (904) 877-9031

April 15, 1991

RECEIVED

APR 16 1991

**ORIGINAL
COPY**

**ROSE, SUNDBROM
& BENTLEY**

Mr. Greg Delavan
Sandy Creek Airpark
IC Airway
Panama City, FL 32404

Dear Mr. Delavan:

Lot No. 100 of the Sandy Creek Airpark division is not in the certified territory of Sandy Creek Utilities, Inc. Therefore, it is not possible to extend sewer and water service to that lot at this time.

Very truly yours,

B. Kenneth Gatlin

B. Kenneth Gatlin

BKG/dc

cc: Michael Paul
Deborah Swain
Carol Anderson
Marty Deterding



GD-7

MARCH 29. 1991

W. C. ROGERS
3221 W HWY 390
PANAMA CITY. FL. 32405

SANDY CREEK UTILITIES. INC.
1732 HWY 2257
PANAMA CITY. FL. 32404

I NEED THE SEWER HOOKED UP ON LOT 41 SANDY CREEK AIRPARK.
PLEASE SEND ME THE APPROPRIATE PAPER WORK YOU WILL NEED.
MAY I HEAR FROM YOU SOON. IF YOU HAVE ANY QUESTIONS, YOU
CAN REACH ME AT 763-7546.

SINCERELY,

W. C. Rogers
W. C. ROGERS

<p>SENDER: Complete items 1 and/or 2 for additional services. Complete items 1 and 2 for additional services. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mail piece, or on the back if space does not permit. Write "Return Receipt Requested" on the mail piece next to the article number.</p>		<p>I also wish to receive the following services (for an extra fee):</p> <p><input type="checkbox"/> Addressee's Address</p> <p><input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to:</p> <p>SANDY CREEK UTILITIES, INC. 1732 HWY 2257 PANAMA CITY, FL. 32404</p>		<p>4a. Article Number</p> <p>P 407 880 729</p>	
<p>Signature (Agent)</p> <p><i>W. C. Rogers</i></p>		<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>	
<p>Date of Delivery</p> <p>APR 11 1991</p>		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	
<p>Form 3811, October 1990 U.S. GPO: 1990-273-001</p>		<p>DOMESTIC RETURN RECEIPT</p>	



GD-8

APRIL 5, 1991

GREG DELIVAN
10 ADIRWAY
PANAMA CITY, FL. 32404

DEAR GREG,

AS PER OUR TELEPHONE CONVERSATION.

MONDAY, APRIL 1, 1991 I RECEIVED A CALL FROM CAROL AT SANDY CREEK UTILITIES STATING I WOULD NOT BE ABLE TO hook UP TO THEIR SEWER AND WATER SYSTEM. I ASK HER TO PLEASE PUT THAT IN WRITING AND SEND IT TO ME. SHE HESITATED BUT SAID SHE WOULD.

FRIDAY, APRIL 5, 1991 I HAD NOT RECEIVED ANYTHING IN WRITING FROM CAROL OF SANDY CREEK UTILITIES. SO I CALLED CAROL THIS A.M. SHE TOLD ME SHE COULD NOT SEND ME ANYTHING IN WRITING DO TO THE LEGAL PROCEEDINGS THAT WERE GOING ON. BUT SHE DID NOTIFY THEIR LAW FIRM IN PALLAHASSEL AND ASK THEM TO NOTIFY ME.

IF AND WHEN I HEAR FROM THEM I WILL LET YOU KNOW.

SINCERELY,


W.C. ROGERS

GATLIN, WOODS, CARLSON & COWDERY

Attorneys at Law

a partnership including professional associations

The Mahan Station
1709-D Mahan Drive
Tallahassee, Florida 32308

TELEPHONE (904) 877-7191
TELECOPIER (904) 877-9031

B. KENNETH GATLIN, P.A.
THOMAS F. WOODS
JOHN D. CARLSON
KATHRYN G.W. COWDERY
WAYNE L. SCHIEFELBEIN
ALEX D. BARKER

April 9, 1991

Carol L. Anderson
General Manager
Sandy Creek Properties, Inc.
1732 Highway 2297
Panama City, FL 32404

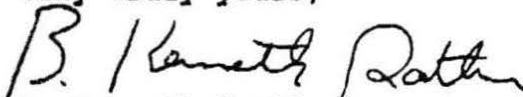
Dear Ms. Anderson:

This is in response to your letter of April 3, 1991.

It is my opinion that you have advised Mr. Rogers correctly. He is not in the certificated area and cannot be added to the sewer system at the present time.

If you have any questions, please let me know.

Very truly yours,


B. Kenneth Gatlin

BKG/dc

cc: Mr. Michael Paul
Ms. Debbie Swain

MARCH 29, 1991

W. C. ROGERS
3221 W HWY 390
PANAMA CITY, FL. 32405

SANDY CREEK UTILITIES, INC.
1732 HWY 2297
PANAMA CITY, FL. 32404

I NEED THE SEWER HOOKED UP ON LOT 41 SANDY CREEK AIRPARK.
PLEASE SEND ME THE APPROPRIATE PAPER WORK YOU WILL NEED.
MAY I HEAR FROM YOU SOON. IF YOU HAVE ANY QUESTIONS, YOU
CAN REACH ME AT 763-7546.

SINCERELY,

W.C. Rogers
W. C. ROGERS

SENDER: 1. Complete items 1 and/or 2 for additional services. 2. Complete items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100. 3. Print your name and address on the reverse of this form so that we can return this card to you. 4. Attach this form to the front of the mail piece or on the back if space does not permit. 5. Write "Return Receipt Requested" on the mail piece next to the article number.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: SANDY CREEK UTILITIES, INC. 1732 HWY 2297 PANAMA CITY, FL. 32404		4a. Article Number P 407 880 729	
Signature (Required) <i>W.C. Rogers</i>		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Date of Delivery	
Form 3811, October 1980 U.S. GPO: 1980-277-881		B. Addressee's Address (Only if requested and fee is paid)	



GD-8

APRIL 5, 1991

GREG DELIVAN
10 AIRWAY
PANAMA CITY, FL. 32404

DEAR GREG,


AS PER OUR TELEPHONE CONVERSATION.

MONDAY, APRIL 1, 1991 I RECEIVED A CALL FROM CAROL AT SANDY CREEK UTILITIES STATING I WOULD NOT BE ABLE TO HOOK UP TO THEIR SEWER AND WATER SYSTEM. I ASK HER TO PLEASE PUT THAT IN WRITING AND SEND IT TO ME. SHE HESITATED BUT SAID SHE WOULD.

FRIDAY, APRIL 5, 1991 I HAD NOT RECEIVED ANYTHING IN WRITING FROM CAROL OF SANDY CREEK UTILITIES. SO I CALLED CAROL THIS A.Y. SHE TOLD ME SHE COULD NOT SEND ME ANYTHING IN WRITING DU TO THE LEGAL PROCEEDINGS THAT WERE GOING ON. BUT SHE DID NOTIFY THEIR LAW FIRM IN TALLAHASSEE AND ASK THEM TO NOTIFY ME.

IF AND WHEN I HEAR FROM THEM I WILL LET YOU KNOW.

SINCERELY,


W.C. ROGERS

GATLIN, WOODS, CARLSON & COWDERY

Attorneys at Law

a partnership including professional associations

The Mahan Station
1709-D Mahan Drive
Tallahassee, Florida 32308

B. KENNETH GATLIN, P.A.
THOMAS F. WOODS
JOHN D. CARLSON
KATHRYN G.W. COWDERY
WAYNE L. SCHIEFELBUSCH
ALEX D. BARKER

TELEPHONE (904) 877-7191
TELECOPIER (904) 877-9031

April 9, 1991

Carol L. Anderson
General Manager
Sandy Creek Properties, Inc.
1732 Highway 2297
Panama City, FL 32404

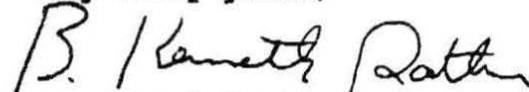
Dear Ms. Anderson:

This is in response to your letter of April 3, 1991.

It is my opinion that you have advised Mr. Rogers correctly. He is not in the certificated area and cannot be added to the sewer system at the present time.

If you have any questions, please let me know.

Very truly yours,


B. Kenneth Gatlin

BKG/dc

cc: Mr. Michael Paul
Ms. Debbie Swain



STATE OF FLORIDA
DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES

February 28, 1991

Michael Paul, President
Sandy Creek Utilities, Inc.
1732 Highway 2297
Panama City, Florida 32404

**ORIGINAL
FILE COPY**

Dear Mr. Paul:

The Department of Health and Rehabilitative Services Bay County Public Health Unit (HRS Bay CPHU) has asked for assistance in determining the availability of the Sandy Creek Subdivision sewage treatment system (STS) to serve a nearby residential development. As I understand the situation:

1. Sandy Creek Subdivision is served by a STS which is owned and operated by Sandy Creek Utilities, Inc.
2. The STS is located on the same side of the road and adjacent to Sandy Creek Airpark, Inc., Phases I and II.
3. At one time, the land or properties now known as Sandy Creek Subdivision, Sandy Creek Airpark Phase I and Sandy Creek Airpark Phase II were all under common ownership.
4. The STS which now serves Sandy Creek Subdivision and a few lots in Sandy Creek Airpark, Inc., Phase I was originally designed and sized to serve at least the area encompassed by Sandy Creek S/D, and Sandy Creek Airpark, Inc., Phases I and II.
5. The Sandy Creek Subdivision STS has adequate capacity to serve the approximately 250 total lots in Sandy Creek Airpark, Inc., Phases I and II.
6. Sandy Creek Airpark, Inc., desires to utilize a sewage treatment system rather than install approximately 250 septic tank systems. This corporation has hired an engineering firm to design the development's infrastructure including a sewage collection system.
7. Section 381.272, Florida Statutes, provides that subdivisions shall not utilize onsite sewage disposal systems, "where a municipally owned or investor-owned public sewerage system is available contiguous to the proposed subdivision or within one-fourth mile of the subdivision with accessibility by public right-of-way."

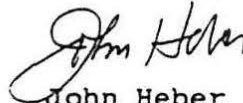
8. Sandy Creek utilities is regulated by the Florida Public Service Commission. Although the Sandy Creek Airpark, Inc., property is not currently included in the approved Sandy Creek utilities service area, expansion of the service area would likely be approved by the PSC.
9. The HRS Bay CPHU has concerns about the installation of approximately 250 onsite sewage disposal systems in this area of Bay County because of marginal or unsatisfactory soil and high ground water table conditions.

If any of the above statements are incorrect, or if there are extenuating circumstances or additional factors involved in the possible expanded use of the Sandy Creek Subdivision STS, we would appreciate being so informed.

With the information currently at hand, it appears to HRS that the STS is available for additional connections. It further seems that it would be in everyone's best interests to utilize the Sandy Creek Subdivision STS to full advantage. Certainly, from a public health and environmental protection standpoint, the use of a well maintained and operated STS is preferable to using septic tank systems where site conditions are generally unsatisfactory.

Thank you in advance for your response to this inquiry. I hope this matter can be resolved to everyone's satisfaction and benefit.

Sincerely,



John Heber
Environmental Health
Consultant

cc: HRS Bay CPHU
Department of Environmental Regulation
Mr. Greg Delavan, Sandy Creek Airpark, Inc.



State of Florida
Department of Environmental Regulation

ORIGINAL
FILE COPY

Notice of Intent to Use General Permit for
~~Wastewater Collection System~~/Drinking Water Distribution System

Instructions: This form is to be completed and submitted to the Department along with one set of engineering plans and specifications, AT LEAST 30 DAYS PRIOR TO INITIATING CONSTRUCTION. All blanks must be filled.

I. General Description

1. Person(s) or entity that will own the GS/DS

Name and Title SANDY CREEK AIRPARK, INC.

Address WEWA ROUTE 75, PANAMA CITY, FLORIDA 32404

Phone (904) 871-6776 Latitude 30 ° 06 ' 09 " N Longitude 85 ° 29 ' 15 " N

Section 30 Township 4S Range 12W

2. Estimated cost of project \$40,000

3. GS/DS Description. This system will be known as: SANDY CREEK AIRPARK - PHASE II

This system will serve 44 family homes, 2 commercial facilities and _____ multifamily units.

Other: _____

Estimated Increase in Flow/Demand (MGD) .016

Estimated increase in Equivalent Residential Connections (ERC's) (An ERC = 3.5 persons) 46

The wastewater treatment plant/drinking water plant serving this system will be _____

SANDY CREEK UTILITIES, INC.

County BAY

II. Statement by Applicant

The undersigned owner or authorized representative of SANDY CREEK AIRPARK, INC. is fully aware that the statements made in this notice are true and complete to the best of his knowledge. The undersigned is fully aware that it is his responsibility to operate and maintain this facility in such a manner as to function as it was designed. Responsibility may be transferred to another entity upon written notice to the Department from the entity assuming responsibility. The undersigned also accepts responsibility for retaining the project engineer as indicated on this notice to observe that construction of the project is in accordance with engineering plans as submitted.

*Attach a letter of authorization

Signature of the Owner or Authorized Representative

GREG DELAVAN, VICE PRESIDENT

Name and Title (Please Type)

WEWA ROUTE 75, PANAMA CITY, FL 324

Address

Telephone No. 871-6776 Date 12-6-90



III. Statement by Utility

The undersigned states that SANDY CREEK UTILITIES, INC. treatment plant has sufficient capacity to provide wastewater/drinking water treatment to serve this system when completed, that the treatment plant will operate in compliance with Chapters 17-6/17-555, F.A.C., and any other applicable regulations, and that the facility is not under a moratorium of any kind.

Existing plant capacity (MGD) 2.180

Existing plant flow/demand (MGD) (from operation reports) 0.070

Existing number of Equivalent Residential Connections served 137

Existing number of Equivalent Residential Connections presently approved 254

Carol L. Daugherty
Signature

CAROL DAUGHERTY, DIRECTOR OF PUBLIC WORKS
Name and Title (Please Type)

1732 HWY 2297, BAY COUNTY, FL 32404
Address (Please Type)

Telephone No. 871-1918 Date 12-6-90

IV. Statement by Engineer

This is to certify that the engineering features of this system have been designed by me in accordance with Chapters 17-6/17-555, F.A.C., and any applicable local requirements. It is also stated that the undersigned has furnished the applicant with written instructions for the operation and maintenance of the system. A statement certifying completion of the system and appropriate clearances will be submitted to the Department in order to obtain approval to place the system in service.

David F. Silvey
Signature

DAVID F. SILVEY 34919
Name (Please Type) Florida Registration Number

DAVID F. SILVEY & ASSOCIATES, INC.
Company Name (Please Type)

516 S. TYNDALL PARKWAY, PARKER, FL 32404
Company Address (Please Type)

Telephone No. 784-0571 Date 12-6-90

(Affix Seal)
David F. Silvey
12-6-90



State of Florida
Department of Environmental Regulation

Notice of Intent to Use General Permit for
Wastewater Collection System/~~Drinking Water Distribution System~~

Instructions: This form is to be completed and submitted to the Department along with one set of engineering plans and specifications, AT LEAST 30 DAYS PRIOR TO INITIATING CONSTRUCTION. All blanks must be filled.

I. General Description

1. Person(s) or entity that will own the CS/DS

Name and Title SANDY CREEK AIRPARK, INC.

Address WEWA ROUTE 75, PANAMA CITY, FLORIDA 32404

Phone (904) 871-6776 Latitude 30° 06' 09" N Longitude 85° 29' 15" N

Section 30 Township 4S Range 12W

2. Estimated cost of project \$40,000

3. CS/DS Description. This system will be known as: SANDY CREEK AIRPARK - PHASE II

This system will serve 44 family homes, 2 commercial facilities and _____ multifamily units.

Other: _____

Estimated Increase in Flow/Demand (MGD) .016

Estimated increase in Equivalent Residential Connections (ERC's) (An ERC = 3.5 persons) 46

The wastewater treatment plant/drinking water plant serving this system will be _____

SANDY CREEK UTILITIES, INC.

County BAY

II. Statement by Applicant

The undersigned owner or authorized representative of SANDY CREEK AIRPARK, INC. is fully aware that the statements made in this notice are true and complete to the best of his knowledge. The undersigned is fully aware that it is his responsibility to operate and maintain this facility in such a manner as to function as it was designed. Responsibility may be transferred to another entity upon written notice to the Department from the entity assuming responsibility. The undersigned also accepts responsibility for retaining the project engineer as indicated on this notice to observe that construction of the project is in accordance with engineering plans as submitted.

*Attach a letter of authorization


Signature of the Owner or Authorized Representative

GREG DELAVAN, VICE PRESIDENT

Name and Title (Please Type)

WEWA ROUTE 75, PANAMA CITY, FL 32404

Address

Telephone No. 871-6776 Date 12-6-90

III. Statement by Utility

The undersigned states that SANDY CREEK UTILITIES, INC. treatment plant has sufficient capacity to provide wastewater/drinking water treatment to serve this system when completed, that the treatment plant will operate in compliance with Chapters 17-6/17-555, F.A.C., and any other applicable regulations, and that the facility is not under a moratorium of any kind.

Existing plant capacity (MGD) 0.075

Existing plant flow/demand (MGD) (from operation reports) 0.033

Existing number of Equivalent Residential Connections served 112

Existing number of Equivalent Residential Connections presently approved 225

Carol L. Daugherty
Signature

CAROL DAUGHERTY, DIRECTOR OF PUBLIC WORKS
Name and Title (Please Type)

1732 HWY 2297, BAY COUNTY, FL 32404
Address (Please Type)

Telephone No. 871-1918 Date 12-6-90

IV. Statement by Engineer

This is to certify that the engineering features of this system have been designed by me in accordance with Chapters 17-6/17-555, F.A.C., and any applicable local requirements. It is also stated that the undersigned has furnished the applicant with written instructions for the operation and maintenance of the system. A statement certifying completion of the system and appropriate clearances will be submitted to the Department in order to obtain approval to place the system in service.

David F. Silvey
Signature

DAVID F. SILVEY 34919
Name (Please Type) Florida Registration Number

DAVID F. SILVEY & ASSOCIATES, INC.
Company Name (Please Type)

516 S. TYNDALL PARKWAY, PARKER, FL 32404
Company Address (Please Type)

Telephone No. 784-0571 Date 12-6-90

(Affix Seal)

David F. Silvey
12-6-90



Florida Department of Environmental Regulation

Northwest District • 160 Governmental Center • Pensacola, Florida 32501-5794

Lawton Chiles, Governor

Carol M. Browner, Secretary

FEB 14 1991

Mr. Greg Delavan, Vice President
Sandy Creek Airpark, Inc.
Wewa Route 75
Panama City, Florida 32404

RE: Bay County (DW)
Sandy Creek Airpark - Ph II
CS03-191993

Dear Mr. Delavan:

We have reviewed your notice describing the referenced wastewater collection system. The project appears to qualify for the general permit specified in Florida Administrative Code Rule 17-604.700. You should thoroughly review and be aware of the general conditions and the specific requirements associated with the general permit (attached).

If you have any questions, please contact Mr. Bill Leoffler at (904) 436-8380.

Sincerely,

Bobby A. Cooley, P.E.
Program Administrator
Water Facilities

BAC:blg
Attach: 17-1.205(8)
17-604.700
cc: David F. Silvey, P.E.
Carol Daugherty



Florida Department of Environmental Regulation

Northwest District Branch Office • 340 W. 23rd St., Suite E • Panama City, FL 32405

Lawton Chiles, Governor

Carol M. Browner, Secretary

February 13, 1991

Mr. Greg Delavan, Vice President
Wewa Route 75
Panama City, FL 32404

Re: Sandy Creek Airpark - Phase II
File #:DS03-191997 - Bay County (PW)

Dear Mr. Delavan:

We have reviewed your notice describing the extension to the referenced potable water distribution system. The project qualifies for the general permit specified in Florida Administrative Code (FAC) Rule 17-555.540. You should thoroughly review and be aware of the general conditions and the specific requirements associated with the general permit.

This general permit is subject to the general conditions of FAC Rule 17-555.410 and the following specific conditions:

(a) The permittee or his engineer of record shall file with the Department upon completion of the work a copy of the plans and specifications for the system "as built".

(b) Before the system may be placed into service, a certification of construction completion by the engineer of record and a copy of satisfactory bacteriological results described in Rule 17-555.345, F.A.C., must be submitted to the Department and a letter of clearance be issued. (NOTE: The engineer shall complete and submit DER Form 17-555.910(9) - Request for Letter of Release to Place Water Supply System in Service.)

If you have any questions, please contact Bert Lent at (904) 872-4375.

Sincerely,

Gary L. Shaffer
Branch Manager

GLS:blf

cc: John Pope - DER/Pensacola
David F. Silvey & Assoc.
516 S. Tyndall Pkwy., Bx. 1; Parker, FL 32404