

M E M O R A N D U M

July 29, 1996

ORIGINAL  
FILE COPY

TO : DIVISION OF LEGAL SERVICES (CROSBY)  
DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF WATER AND WASTEWATER (REDEMANN)

RE : DOCKET NO. 960699-WS; APPLICATION FOR AMENDMENT OF  
CERTIFICATES NOS. 511-W and 467-S BY SPRUCE CREEK SOUTH  
UTILITIES, INC. IN MARION COUNTY.

-----

Spruce Creek South Utilities Inc. (Spruce Creek or utility) provides water service to approximately 1,700 customers and wastewater service to approximately 1,000 customers pursuant to Commission Certificates Nos. 511-W and 467-S in Marion and Sumter Counties. Spruce Creek's most recent submission to this Commission, the 1995 Annual Report, details utility operating revenues of \$675,139 and a net operating income of \$12,240. The utility is a Class B utility company under FPSC jurisdiction.

On June 3, 1996 the utility applied for an amendment to Water Certificate No. 511-W and Wastewater Certificate No. 467-S in Marion County, Florida. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for amendment of certificate. The application contains one check in the amount of \$3,500 which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(1)(e), (f) and (i), Florida Administrative Code. A description of the territory requested by the utility is appended to this memorandum as Attachment A. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission. The applicant has provided a copy a recorded 99 year lease which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections were filed and the time for filing such has expired. The local planning agency was provided notice of the application and did not file a protest to the amendment. The utility states that the provision of service will be consistent with the utility section of the local comprehensive plan. Service will be provided by drilling new water wells and

07950 JUL 30 1996  
FPSC-RECORDS/REPORTING

DOCKET NO. 960699-WS  
DATE: July 29, 1996

building a new wastewater treatment plant. Once flows at the wastewater treatment plant exceed 100,000 gallons a day, the wastewater effluent will be sprayed on a golf course.

The utility has experience in the water and wastewater industry. Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation issued for this system. The applicant states that the utility will continue to employ the necessary management, technical and engineering expertise to enable it to provide high quality water and wastewater service to the Country Club subdivision. The utility has invested \$2,000,000 in rate base in its current facilities. The construction of facilities to serve the Country Club area will be financed through a combination of contributions-in-aid-of-construction currently authorized, infusion of additional equity, and additional debt financing from the Citizens National Bank of Leesburg. Consequently, staff believes the utility has demonstrated the financial and technical expertise to provide quality service to these customers. Staff recommends the rates and charges approved by the Commission be applied to customers in the new service territory. The utility has filed revised tariff sheets incorporating the additional territory into its tariff and returned its certificate for entry reflecting the additional territory.

Based on the above information, staff believes it is in the public interest to grant the application of Spruce Creek South Utilities, Inc. for amendment of Water and Wastewater Certificates Nos. 511-W and 467-S for the territory described in Attachment A. An administrative order should be issued approving the application and closing the docket within 30 days.

If you have any questions, please contact me.

C:\I:\WP\960699RE.RPR

cc: Pat Brady, Travis Coker (DWAU)  
Division of Records and Reporting (Security File)

DOCKET NO. 960699-WS  
DATE: July 29, 1996

ATTACHMENT A

SPRUCE CREEK SOUTH UTILITIES, INC.  
MARION COUNTY - SPRUCE CREEK GOLF AND COUNTRY CLUB

THE S 1/2 OF THE NW 1/4 AND THE W 1/2 OF THE SW 1/4 OF THE NE 1/4 AND THE W 1/2 OF THE SE 1/4 OF THE NE 1/4 AND THE S 1/2 EXCEPT THE EAST 30 FEET THEREOF, ALL IN SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, AND,

ALSO THE N 1/2 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE EAST 315 FEET THEREOF, AND EXCEPT THE NW 1/4 OF THE SW 1/4 OF THE NW 1/4 OF SAID SECTION 10, AND,

ALSO THE N 1/2 OF THE S 1/2 OF SAID SECTION 10, EXCEPT THE EAST 315 FEET THEREOF, AND,

ALSO THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 10, EXCEPT THE SOUTH 40 FEET THEREOF, AND,

ALSO THE N 1/2 OF THE S 1/2 OF THE SW 1/4 AND THE SE 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SAID SECTION 10, AND,

ALSO THE EAST 1/2 OF THE NE 1/4 OF THE SE 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE N 1/2 THEREOF, AND,

ALSO THE WEST 3/4 OF THE N 1/2 OF THE SE 1/4 OF SAID SECTION 9, EXCEPT THE NORTH 893.54 FEET THEREOF, AND,

ALSO THE S 1/2 OF THE SE 1/4 OF SAID SECTION 9, EXCEPT THE NW 1/4 OF THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 9, AND,

ALSO THAT PART OF THE S 1/2 OF THE SE 1/4 OF THE SW 1/4 OF SAID SECTION 9, LYING EAST OF U.S. HIGHWAYS 441 AND 27 (200 FEET WIDE), AND,

ALSO THAT PART OF THE N 1/2 OF THE N 1/2 OF SECTION 16, TOWNSHIP 17, RANGE 23 EAST, LYING EAST OF SAID HIGHWAYS 441 AND 27,

ALSO THE SOUTH 1/2 OF THE N.E. 1/4 OF THE N.W. 1/4 OF SECTION 16, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THOSE LANDS LYING WITHIN THE RIGHT-OF-WAY OF STATE ROAD 500 - U.S. 441 (200 FEET WIDE)

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 1190.27 ACRES MORE OR LESS.