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GATLIN, SCHIEFELBEIN & COWDERY, P.A.
Attorneys at Law

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

B. KENNETH GATLIN
WAYNE L. SCHIEFELBEIN
KATHRYN G.W. COWDERY

TELEPHONE (904) 877-0000
TELECOPIER (904) 877-0001
E-MAIL bkgatlin@netatl.com

May 15, 1997

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RE: Docket No. **970027-WS**
Complaint of The Christian and Missionary Alliance
Foundation, Inc., d/b/a Shell Point Village against Florida
Cities Water Company regarding service availability charges.

Dear Ms. Bayo:

Enclosed for filing are an original and fifteen copies of
Florida Cities Water Company's Response to Supplemental Information
by Christian and Missionary Alliance Foundation, Inc., in reference
to the above docket.

Please acknowledge receipt of the foregoing by stamping the
enclosed extra copy of this letter and returning same to my
attention.

Very truly yours,

B. Kenneth Gatlin

B. Kenneth Gatlin

- ACK
- AFB _____
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BKG/met
Enclosures

RECEIVED & FILED

[Signature]
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

04062 MAY 15 5

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Complaint of The Christian) Docket No. 970027-WS
and Missionary Alliance Foundation,) Filed: May 15, 1997
Inc., d/b/a Shell Point Village)
against Florida Cities Water)
Company regarding service avail-)
ability charges.)

**FLORIDA CITIES WATER COMPANY'S
RESPONSE TO SUPPLEMENTAL INFORMATION BY
CHRISTIAN AND MISSIONARY ALLIANCE FOUNDATION, INC.**

Florida Cities Water Company ("FCWC"), files this its Response to Supplemental Information by Christian and Missionary Alliance Foundation, Inc. ("Foundation"), and states:

1. FCWC's tariffs provide that capacity charges for a multi-family dwelling unit is based on ERCs and not gallons. The estimate set forth in FCWC's Answer is based on the information recited in the Foundation's complaint.

2. The agreement referenced by the Foundation in its supplemental filing deals only with a main extension charge for which the Foundation paid \$35,000. It has nothing to do with capacity charge or other CIAC. A copy of the October 23, 1986 agreement and addenda are attached hereto.

3. FCWC has no record of capacity fees in 1986 relative to King Crown project. If payment was made and can be verified, a credit by FCWC would be appropriate. If units for which capacity fees have been paid were demolished to build Sundial, a credit for these units would be appropriate. FCWC has no record that these capacity fees were paid or that the units were demolished.

DOCUMENT NUMBER-DATE

04862 MAY 15 1997

FPSC-RECORDS/REPORTING

DATED this 15th day of May, 1997.

Respectfully submitted,

B. Kenneth Gatlin

B. Kenneth Gatlin, Esquire
Fla. Bar #0027966
Gatlin, Schiefelbein & Cowdery, P.A.
1709-D Mahan Drive
Tallahassee, Florida 32308
(904) 877-5609

Attorneys for
FLORIDA CITIES WATER COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to Mr. Marty Friedman, Esquire, Rose, Sundstrom & Bentley, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, on this 15th day of May, 1997.

B. Kenneth Gatlin

B. Kenneth Gatlin

A G R E E M E N T

THIS AGREEMENT MADE this 23rd day of October
A.D. 1967, by and between FLORIDA CITIES WATER COMPANY, a
Florida corporation, hereinafter referred to as WATER COMPANY,
and THE CHRISTIAN AND MISSIONARY ALLIANCE FOUNDATION, INC., a
non-profit Florida corporation, hereinafter referred to as
FOUNDATION, in the manner following:

W I T N E S S E T H !

WHEREAS, WATER COMPANY is a public utility engaged
in the furnishing of water service in Lee County, Florida; and

WHEREAS, FOUNDATION is the owner of a tract of land
on the Caloosahatchee River in Lee County, Florida, known as
"SHELL POINT VILLAGE"; and

WHEREAS, WATER COMPANY contemplates an extension of
its water transmission facilities which will make water avail-
able to Shell Point Village; and

WHEREAS, FOUNDATION has requested that WATER COMPANY
make water service available to it at Shell Point Village.

NOW THEREFORE, in consideration of the mutual coven-
ants herein contained running from each of the parties to the
other, the parties hereto have agreed as follows:

1. WATER COMPANY hereby agrees to install a ten
inch (10 in.) water main running from its Fort Myers Beach
transmission main near the intersection of McGregor Blvd. and
San Carlos Drive, Lee County, Florida, to the main entrance to
Shell Point Village, as said main entrance and route is speci-
fied and drawn out upon the plat which is attached hereto and by
reference made a part hereof and marked as Exhibit "A".

WATER COMPANY, further agrees to expand its proposed
Cypress Lake Treatment Plant and increase the size of its
Cypress Lake - Fort Myers Beach supply main sufficiently to
provide adequate pressures and quantities of water for Shell Point
Village. All of the work herein contemplated and the said Shell
Point Village Development itself is located near Fort Myers Beach,
Lee County, Florida. The entire set of agreements on the part of

Water Company shall be contingent upon the following conditions having been met and taken place prior to the Water Company being obligated to carry forward and perform the hereinabove set forth agreements in this paragraph 1:

(a) This agreement shall have been approved by the respective Boards of Directors of Water Company and Foundation and as evidence by certified copies of the appropriate resolutions by each Board of Directors.

(b) Water Company shall have obtained from the Board of County Commissioners of Lee County, Florida a term franchise permitting it to render water service in the Shell Point Village area and in an area adjacent to the connecting pipeline extending from the Fort Myers Beach main of Water Company to Shell Point Village, which said franchise shall not contain any terms and conditions objectionable to Water Company.

(c) Water Company shall have obtained all necessary easements and all rights-of-way for the purpose of extending its said pipeline from its Fort Myers Beach main to the southeast boundary of Shell Point Village. In the event that Water Company is obliged to pay for any of such easements, Foundation agrees to reimburse Water Company for the amounts paid by Water Company for such easements, provided however, before any obligation to pay for an easement is made, Water Company will first give Foundation notice of the proposed purchase and Foundation shall have a period of 10 days to ascertain if they can procure the easement for a smaller purchase price, or if they can procure easements through an alternate route which will not increase the construction or pipe cost.

(d) That Shell Point shall have made a cash contribution of \$35,000.00 to Water Company for the purpose of defraying a part of the cost to Water Company of installing a 10-inch water transmission main from its Fort Myers Beach transmission line to the Shell Point Village area, all as shown on Exhibit "A" attached hereto. Said cash contribution is to be paid to Mr. George E. Allen, attorney Fort Myers, Florida, who shall disburse said funds from his trust account as the work progresses.

(e) Provided all of the conditions in this paragraph can be and are met within the following time limits:

- (1) 15 days from the date hereof, as to subparagraph (a).
- (2) 21 days from the date Foundation executes and returns this contract, as to subparagraph (b).

(3) 30 days from the date Foundation executes and returns this agreement, as to subparagraph (c), unless condemnation shall be necessary.

And provided further, there are no unforeseen delays with respect to engineering, the obtaining of materials and the obtaining of reasonable bids and contract performance times from contractors, and there is no interference caused by Acts of God, the Water Company would complete the necessary main extension work and make water available at the herein specified entrance in a period of 5-1/2 months after this agreement is executed and returned by Foundation.

2. It is mutually agreed that when the conditions set forth in paragraph 1 above have been met, Water Company shall render water service to Foundation and at the following rates, which rates are identical to those now approved for the Lee County water system and shall continue to be the rates in force until such time as the Board of County Commissioners of Lee County, Florida may authorize some change or amendment to same. It is further mutually agreed by the parties hereto that the monthly minimum bill shall be \$300.00 per month:

Up to 3,000 gal. per month	\$4.25
Next 7,000 gal. per month per M.	.85
Next 10,000 gal. per month per M.	.50
Over 20,000 gal. per month per M.	.35

The point of delivery for such water shall be that shown on Exhibit "A" hereto. Water Company shall install and maintain a meter at such point of delivery.

3. Foundation agrees that all construction of the water facilities referred to in Paragraph 1 above shall be of a type and nature compatible in operation with the water system of Water Company and in accordance with all applicable standards of the State of Florida or such other municipal or governmental body which may have jurisdiction with respect thereto.

4. Water Company further agrees that refunds to the Foundation against the Thirty-five Thousand (\$35,000.00) Dollars it shall have advanced towards the installation cost of said ten inch (10 inch) water main will be made semi-annually at the rate of \$50.00 for each active residential customer and \$100.00 for each active commercial customer directly or indirectly connected to the proposed main beginning at a point which is the western edge of the Thornton Road and the Iona Loop Road intersection and thence running to the west for the length of said main to Shell Point Village (meaning that there will be no

refunds made for any customers procured along said main lying east of the western boundary of the intersection of Thornton Road and the Iona Loop Road, nor lying South of the Iona Loop Road, along Thornton Road, or any point east of Thornton Road), but only after the consumption from Shell Point Village has attained an average of 1.5 million gallons per month for each 6-month period but provided further that no refund shall be made for the first 100 customers served, either directly or indirectly, from the portion of the transmission line refunds are to be made upon and, provided further, that at such time as the Board of County Commissioners shall exercise its option to purchase covering this new 10-inch transmission line in the Shell Point Village area or any branch line off of same, all further obligation on the part of Water Company to make any further refunds shall automatically cease and Water Company shall have no further obligation to refund any then remaining unrefunded portion of said original \$35,000.00 contribution. (It is anticipated the County wouldn't be able to exercise its option for a period of 6-1/2 to 7 years.) No interest shall be paid by Water Company on any portion of such contribution, whether refunded or not. It is further mutually agreed, however, that if per chance the County does not exercise its option to purchase covering this particular area or any portion thereof, then in any and all events the maximum period that Water Company shall be obligated to make these refunds for shall be a term of 10 years from and after the commencing of water service in the area, whether the full \$35,000.00 contributed has been refunded or not.

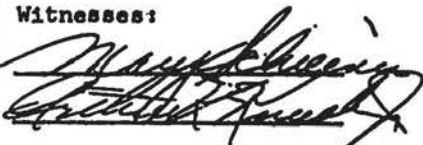
5. Foundation hereby agrees to purchase all of the water which will be required for its Shell Point Village Development and project from Water Company through the meter to be installed at its main entrance as hereinabove specified in the attached plat, Exhibit "A", so long as Water Company has a franchise covering the Shell Point Village project area, at the

rates hereinabove specified or such rates as may be authorized by the Board of County Commissioners of Lee County, Florida from time to time, with the sole exception of water used for lawn, and plant irrigation which is agreed Foundation may procure from well or wells. Foundation further agrees to make the \$35,000.00 contribution toward the installation cost of such ten inch (10 inch) water main upon the basis and terms hereinabove specified.

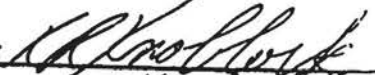
6. Foundation agrees that it shall be responsible for the maintenance of its own interior laterals and pipelines beyond the meter at its main entrance as hereinabove specified.

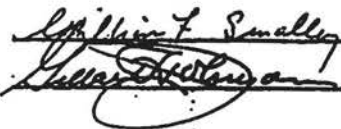
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective officers thereunto duly authorized the day and year first above written.

Witnesses:



FLORIDA CITIES WATER COMPANY

By 
Vice President



THE CHRISTIAN AND MISSIONARY
ALLIANCE FOUNDATION, INC.

By 
President

ADDENDUM TO AGREEMENT DATED OCTOBER 23, 1967
BETWEEN FLORIDA CITIES WATER COMPANY and THE CHRISTIAN
AND MISSIONARY ALLIANCE FOUNDATION, INC.

WHEREAS, it has been discovered that certain covenants which FLORIDA CITIES WATER COMPANY, a Florida corporation, intended to make and set forth in the original agreement between FLORIDA CITIES WATER COMPANY and THE CHRISTIAN AND MISSIONARY ALLIANCE FOUNDATION, INC., a non-profit Florida corporation, dated October 23, 1967, were actually not contained and set forth therein; and whereas it was a part of the consideration running between the parties and for said entire original agreement that these particular covenants be made; now therefore

FOR AND IN CONSIDERATION of said previous agreement and the mutual covenants running between the parties hereto, FLORIDA CITIES WATER COMPANY does covenant and agree as follows:

1. That the water furnished by FLORIDA CITIES WATER COMPANY pursuant to said original agreement will comply with the standards set by the Florida State Board of Health with regard to drinking water.

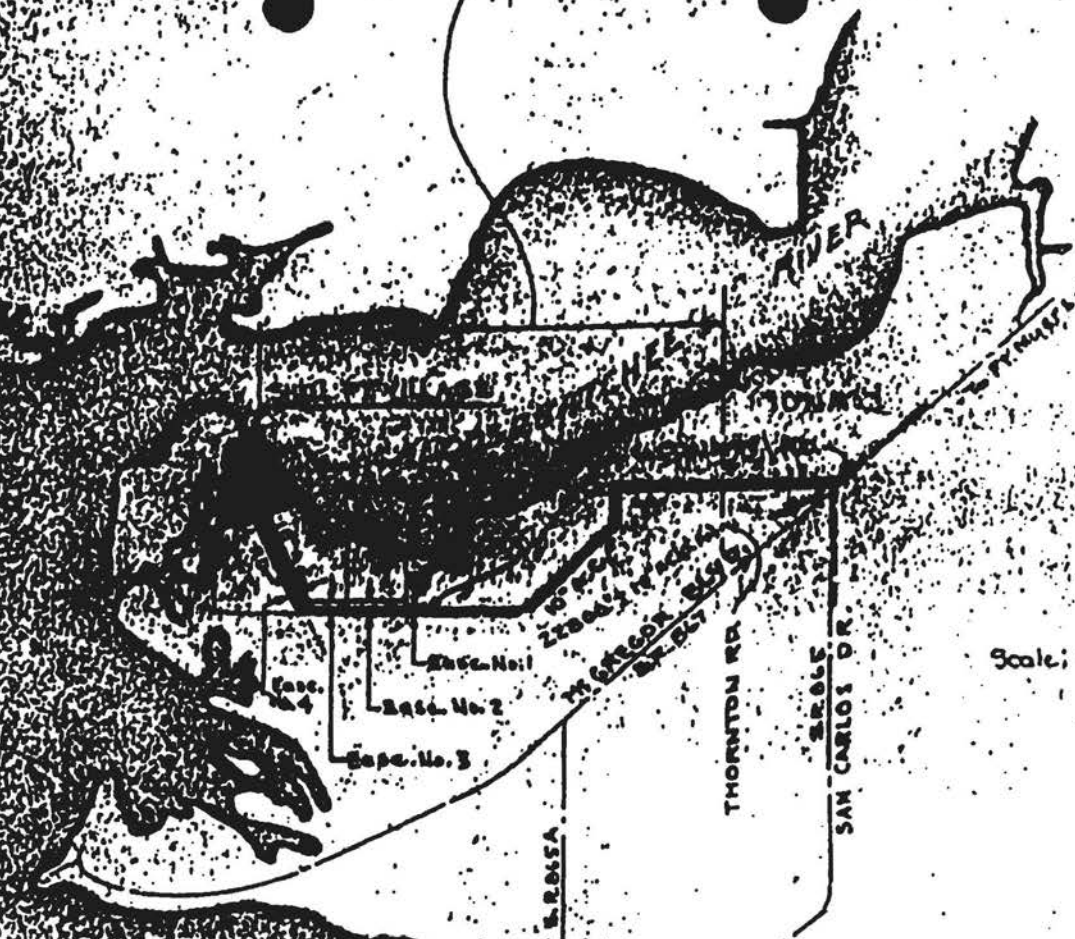
2. The system will be designed to produce under normal conditions 500 gallons per minute at 20 pounds pressure for fire protection.

IN WITNESS WHEREOF the said Florida Cities Water Company has caused these presents to be signed by its Vice President on this 24th day of October, A.D., 1967.

FLORIDA CITIES WATER COMPANY

By K. R. Knoblock
K. R. Knoblock
Vice President

or indirectly connect. to 10" Main
as shown not including Thornton Rd. Main.



Scale: 1" = 1 mile

NOTE

- Eas. No. 1 - I. I. D. Canal - 20' Eas. or permission of County.
 - Eas. No. 2 - 30' Eas.
 - Eas. No. 3 - 30' Eas. from Palm Acres on unrecorded Sub.
 - Eas. No. 4 - 100' R/W Palm Acres Rd. on unrecorded Sub.
- pipe line lies within R/W County Rd. and on Eas. as shown.
- Easements No. 1 thru 4 to be furnished or obtained by Christian And Missionary Alliance Foundation, Inc.

PROPOSED 10" WATER MAIN TO SHELL POINT VILLAGE

EXHIBIT "A"

FLORIDA CITIES WATER COMPANY

BENNETT & BISHOP
Engineers & Surveyors - Tallahassee, Fla.

ADDENDUM TO AGREEMENT DATED OCTOBER 23, 1967
BETWEEN FLORIDA CITIES WATER COMPANY AND THE
CHRISTIAN AND MISSIONARY ALLIANCE FOUNDATION, INC.

WHEREAS, it has proven to be unfeasible for FLORIDA CITY WATER COMPANY to install a 10-inch water main from the intersection of Thornton Road and Iona Loop Road to Shell Point Village, Lee County, Florida, as set forth in the original Agreement between FLORIDA CITIES WATER COMPANY and THE CHRISTIAN AND MISSIONARY ALLIANCE FOUNDATION, INC., dated October 23, 1967, and it is proposed to install said 10-inch water main from the intersection of McGregor Boulevard beginning West of and not including Bunch Beach Road-John Morris Road to the intersection of the entrance road to Shell Point Village, thence going northerly along the said entrance road to the meter to be installed at the main entrance to Shell Point Village, as said main entrance is specified in the aforesaid original agreement; now therefore

FOR AND IN CONSIDERATION of the sum of \$1.00 each in hand paid to the other, receipt whereof is hereby acknowledged, and the previous original agreement and the mutual covenants running between the parties hereto, the parties hereto do mutually agree as follows:

1. Paragraph 1 of the aforesaid original agreement shall be amended to read as follows:

WATER COMPANY hereby agrees to install a ten-inch water main running from its Fort Myers Beach transmission main near the intersection of McGregor Boulevard and San Carlos Drive, Lee County, Florida, running west on McGregor Boulevard to a point just West of and not including Bunch Beach Road-John Morris Road, thence continuing Westerly on McGregor Boulevard to an intersection with the entrance road to Shell Point Village, thence northerly along the said entrance road to the meter to be installed at the main entrance to Shell Point Village, as said main entrance and route is specified and drawn upon the plat attached hereto and marked Exhibit AA.

2. Paragraph 4 of the aforesaid original agreement shall be amended to read as follows:

WATER COMPANY further agrees that refunds to the Foundation against the \$35,000.00 it shall have advanced towards the installation cost of said 10-inch water main will be made semi-annually at the rate of \$50.00 for each active residential customer and \$100.00 for each active commercial customer directly or indirectly connect to the proposed main beginning at a point on McGregor Boulevard which is just West of (and not including) Bunch Beach Road-John Morris Road to the intersection with the entrance road to Shell Point Village, thence northerly along said entrance road for the length of said main to Shell Point Village (meaning that there will be no refund made for any customers procured along the Bunch Beach Road-John Morris Road nor any point east thereof), but only if the consumption from Shell Point Village has attained an average of 1.5 million gallons per month for each 6-month period but provided further that no refund shall be made

the first 100 customers served, either directly or indirectly, from the portion of the transmission line refunds are to be made upon and, provided further, that at such time as the Board of County Commissioners shall exercise its option to purchase covering this new 10-inch transmission line in the Shell Point Village area or any branch line off of same, all further obligation on the part of Water Company to make any further refunds shall automatically cease and Water Company shall have no further obligation to refund any then remaining unrefunded portion of said original \$35,000.00 contribution. (It is anticipated the County wouldn't be able to exercise its option for a period of 6-1/2 to 7 years.) No interest shall be paid by Water Company on any portion of such contribution, whether refunded or not. It is further mutually agreed however, that if per chance the County does not exercise its option to purchase covering this particular area or any portion thereof, then in any and all events the maximum period that Water Company shall be obligated to make these refunds for shall be a term of 10 years from and after the commencing of water service in the area, whether the full \$35,000.00 contributed has been refunded or not.

All other terms and conditions of the original agreement and the addendum thereto dated October 24, 1967 shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the 25 day of January, 1968.

Witnessed by:

Lucile Rachell
Paul L. Wiley

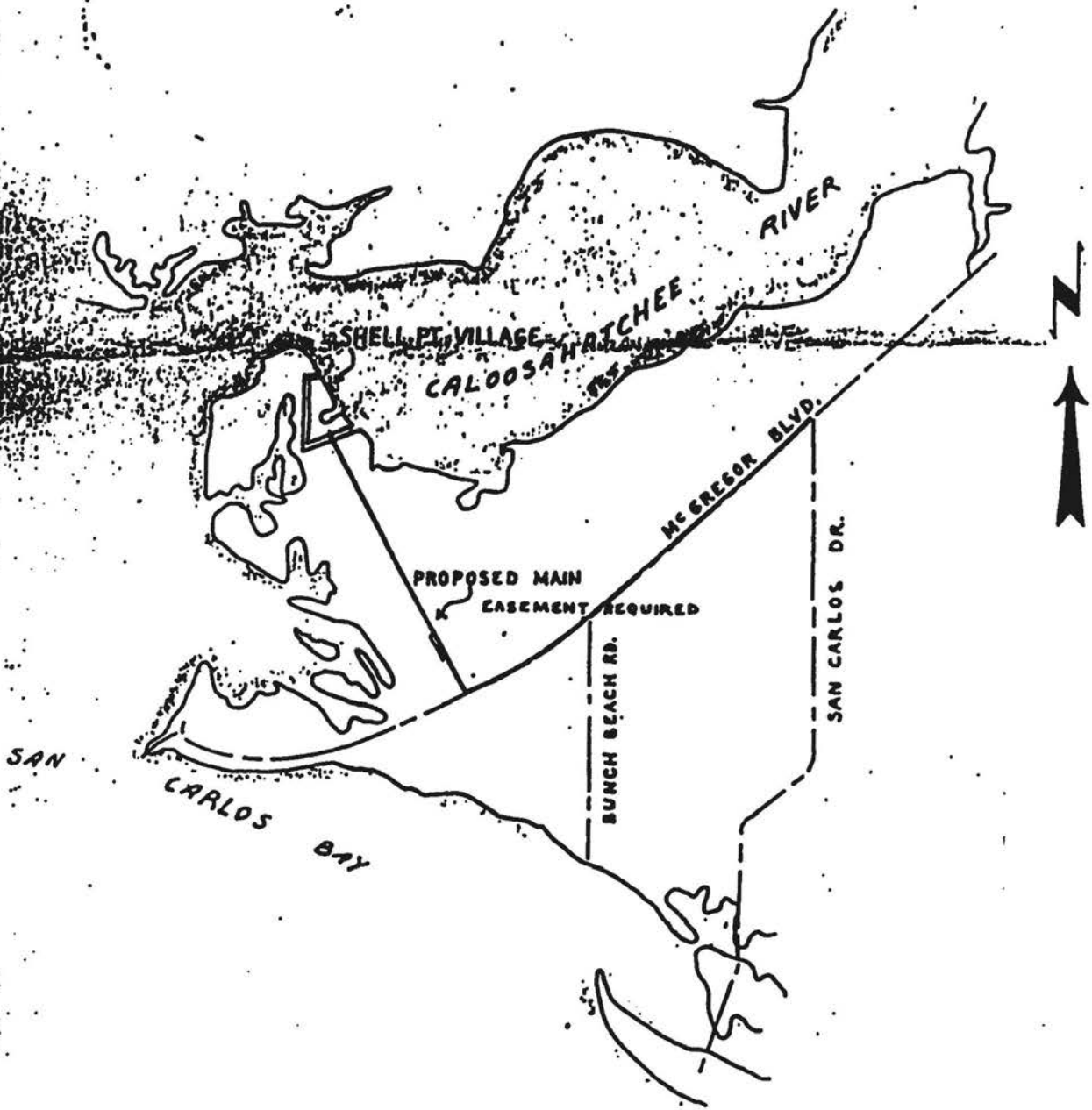
Alda E. Greeley
David R. Enlow

FLORIDA CITIES WATER COMPANY

By K. R. Knoblock
K. R. Knoblock
Vice President

THE CHRISTIAN AND MISSIONARY
ALLIANCE FOUNDATION, INC.

By Walter Bailey
Walter Bailey
President



PROPOSED WATER MAIN TO SHELL POINT VILLAGE