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DIVISION OF WATER & WASTEWATER
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Public Service Commission

February 22, 1999

To: Division of Records and Reporting (Bayo)
From: Division of Water and Wastewater (Messer) *BOM fl*
Re: Docket No. 981343-WU, Amendment Application of Lighthouse Utilities Company

Please place the attached letter in the docket file.

Cc: Division of Water and Wastewater (Messer, Monroe)
Division of Legal Services (McRae)

- ACK _____
- AFA _____
- APP _____
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STATE OF FLORIDA
DEPARTMENT OF COMMUNITY AFFAIRS

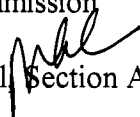
"Helping Floridians create safe, vibrant, sustainable communities"

LAWTON CHILES
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Memorandum

To: Billie Messer and John Williams, Division of Water and Wastewater,
Public Service Commission

From: Maria Abadal Cahill  Section Administrator

Date: December 10, 1998

Subject: Public Service Commission Utilities Expansion Application
Lighthouse Utilities Co., Inc.; PSC Docket No. 981343-WU

Lighthouse Utilities Inc. has applied to the Public Service Commission to amend its potable water certificate to include additional land area in its service territory. The area proposed for addition would extend to U.S. Hwy. 98 located in unincorporated Gulf County as follows:

Township 8S, Range 11W, Sec. 24,25,36; Township 8S, Range 10W, Sec.20,27-29,32-36;
Township 8S, Range 9W, Sec.31,32 (to County line); Township 9S, Range 11W, E ½ Sec.1;
Township 9S, Range 10W, Sec. 2-10,17,18;1,11,12 ;Township 9S, Range 9W, Sec. 6 (to County line)

The area described above is approximately 25 square miles of the southern mainland tip in Gulf County extending south from U.S. Hwy 98 and west to the Franklin County line. With regard to the need for service, the applicant states that the expansion would "enable Lighthouse Utilities to be prepared for the anticipated growth in said area". He projects that the majority of future customers would be single family residences with some limited commercial establishments.

The current land use of this area is agricultural. Densities are determined by proximity to developed areas or location of wetlands. Areas within one mile of development are allowed high densities (one unit/2.5 acres). Agricultural lands containing State jurisdictional wetlands are restricted to low density (one unit/40 acres). All remaining agricultural lands are designated medium density (one unit/15 acres). The Future Land Use map shows that most of the proposed territory would remain Agricultural with the southern tip designated as low density residential (0-4 units per acre), or, Conservation where development is limited to low density and must be compatible with natural

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resources. The St. Joe Bay Buffer Conservation and Recreation Lands (CARL) project (FL Dept. of Environmental Protection, Div. of State Lands) is located on a portion of this territory and is listed Priority 15 by the State for acquisition. Although, during the 1970's, three developments were proposed in this area, all plans have since been abandoned and there is no evidence of further activity. The applicant has submitted no additional supporting information indicating any increased growth or development anticipated for this area. The 1980 U.S. Census estimated that two percent of the County's population resides in existing agricultural lands and according to the Gulf County Comprehensive Plan (Future land Use Element, I-49), that is expected to remain constant in the future.

In 1985, a Water and Wastewater Feasibility study of South Gulf Co. approximated that 75 percent of the growth in the next five to seven years would occur on the St. Joseph Spit. Other areas projected to experience high growth are the Gulf of Mexico coastal area from Cape San Blas to Indian Pass. It was concluded that the remainder of the study area would receive only about one percent of the growth. The Gulf Co. Comprehensive Plan recommends that water services initially be provided only to those areas where there will be enough density to warrant the cost of providing a system. The Summary and Recommendations from the Potable Water Sub-Element forecasts a problem in providing a water supply to meet the anticipated growth of the St. Joseph Spit area and other coastal regions. These projections of anticipated growth do not justify an investment in the development of water services to much of the proposed expansion territory. When contacted, the Franklin County planner, Mr. Don Butler, expressed concern that Franklin County has not been given the opportunity to review or comment on this application to determine if there may be some issues of concern.

Although the application calls for some detailed plans indicating the location of future pipe lines, this was not provided by the applicant. In addition, the applicant provides no information on the number of current residents that would be involved in this territory expansion nor whether they would be willing to pay connection fees to new service lines.

The territory map and verbal description do not correspond. Evidently, T8S, R11W, Sections 25, 36 and T9S, R11W, eastern ½ of Section 1 are already serviced by the utility and should be removed from the verbal description. Also, T9S, R10W, Sections 1, 11 and 12 should read to the county line only.

Summary

From the information currently at hand, there is no basis for the applicant's statement that there is a need for service due to anticipated development in the proposed territory expansion area. The applicant has not provided any supporting documentation or data indicating an increased growth rate, development orders or vested development approval that would justify such an assumption. The Gulf County Future Land Use designation of the majority of this area as Agricultural or Conservation also does not support any planned future demand for water services in this area. Studies of projected growth and demands for water service in the Franklin Co. Comprehensive Plan indicate increased demands predominantly in coastal areas only. The County also expresses concern that it has not had an opportunity to comment on, or review, the proposed application to determine if it has objections to this territory expansion. With respect to these facts, granting the request for expansion into much of this territory does not appear to be appropriate or warranted at the present time.