

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION


IN RE: APPLICATION BY UNITED WATER
FLORIDA, INC. FOR AN EXTENSION OF
SERVICE AREA IN ST. JOHNS COUNTY,
FLORIDA

DOCKET NO. 981637-WS

_____ /

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RECORDS AND
REPORTING

DIRECT TESTIMONY OF
WILLIAM G. YOUNG
ON BEHALF OF ST. JOHNS COUNTY, FLORIDA

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

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ATTORNEY FOR ST. JOHNS COUNTY,
FLORIDA

DOCUMENT NUMBER-DATE

 APR 22 99

FPSC-RECORDS/REPORTING

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2

3 In re: Application by United)
4 Water Florida, Inc. for an)
5 Extension of Service Area in) DOCKET NO.: 981637-WS
6 St. Johns County, Florida)
7 _____)

8

9

10

TESTIMONY OF WILLIAM YOUNG

11

ON BEHALF OF ST. JOHNS COUNTY, FLORIDA

12

13 Q: Please state your name and business address.

14 A: My name is William Young. My business address is P. O.
15 Box 3006, St. Augustine, Florida 32085-3006.

16 Q: Did you prepare, or have prepared at your direction and
17 under your supervision, the testimony you are about to
18 give in this matter?

19 A: Yes.

20 Q: By whom are you employed?

21 A: St. Johns County, Florida.

22 Q: What is your position with St. Johns County.

23 A: I am Director of the Utilities Department of St. Johns
24 County.

25 Q: What are your responsibilities as Director of the
26 Utilities Department of St. Johns County?

27 A: I oversee all utility operations and regulatory matters

1 for the County in the area of water and wastewater.

2 Q: Please describe your previous experience and
3 employment.

4 A: I was Assistant Utility Director for St. Johns County
5 from 1995 until I was appointed Interim Director in
6 August 1998 and then Director in February 1999. From
7 June 1985 through October 1995, I was the Water
8 Treatment Supervisor for the St. Johns County Utility
9 Department. From March 1989, I have operated the
10 Camachee Cove Water System, a small reverse osmosis
11 water plant system. From June 1984 through March
12 1991, I was an environmental support specialist with
13 the 202nd Civil Engineering Squadron of the Florida Air
14 National Guard at Camp Blanding in Starke, Florida.
15 There I was a non-commissioned officer and trainer in
16 both water and wastewater technologies. I hold both a
17 Class "A" Florida Water Treatment license and a Class
18 "C" Distribution license.

19 Q: Please describe your educational background.

20 A: I received an Associate in Arts Degree from St. Johns
21 River Community College in 1980 and a Bachelor's
22 Degree from the University of Florida in Political
23 Science in 1986. I received a Master's Degree in
24 Public Administration from the University of North
25 Florida in 1995.

1 Q: Do you have an exhibit attached to your testimony
2 labeled WY-1 and can you identify it?
3 A: Yes, I do have an exhibit labeled WY-1. It is my
4 resume.
5 Q: Are you familiar with United Water Florida, Inc.'s
6 Application for Amendment of its Certificate at issue
7 in this proceeding?
8 A: Yes. My Department received a copy of the application
9 and I have reviewed it.
10 Q: Were you involved in advising the St. Johns County
11 Board of County Commissioners to pass a Resolution
12 stating that the County desires to serve the territory
13 requested by United Water Florida, Inc. in this
14 application?
15 A: Yes. I was involved in advising the St. Johns County
16 Board of County Commissioners to adopt Resolution 98-
17 226 which reflects St. Johns County's objection to
18 United Water Florida, Inc.'s amendment application
19 under consideration in this matter. Resolution 98-226
20 is already a part of the record of this proceeding.
21 Q: Why does St. Johns County want to serve the territory
22 requested by United Water Florida, Inc.?
23 A: As is stated in County Resolution 98-226, adopted
24 December 15, 1998, the County wants to provide water
25 and wastewater services concurrent with development in

1 the requested territory in a manner that protects the
2 public health and the environment. The Resolution also
3 reflects that the 1994 County Utility Master Plan
4 describes the US-1 North and CR-210 intersection as a
5 Future County Service Area and that the County Utility
6 Department would be substantially affected by not
7 serving this area.

8 Q: What is the purpose of your testimony in this
9 proceeding?

10 A: The purpose of my testimony in this proceeding is to
11 provide the Florida Public Service Commission with
12 background information regarding St. Johns County's
13 intentions to serve the territory requested by United
14 Water Florida, Inc. in its application. I will
15 address the fact that granting United Water Florida,
16 Inc.'s application in this proceeding will result in a
17 wasteful duplication of water and wastewater treatment
18 facilities which will, in turn, devalue St. Johns
19 County's significant investment in such facilities.
20 My testimony will also address United Water Florida,
21 Inc.'s lack of financial capability to serve the
22 requested area, the increased costs that will be
23 involved in United Water Florida, Inc. serving the
24 requested area and the resulting higher rates for
25 service, and the fact that the customers in the

1 proposed additional territory prefer service from St.
2 Johns County. St. Johns County Witnesses Herb Van der
3 Mark and John Bishop address United Water Florida,
4 Inc.'s lack of technical capability to serve the
5 requested territory and the fact that granting this
6 application by United Water Florida, Inc. will violate
7 the St. Johns County 1994 Master Utility Plan. St.
8 Johns County Witness Scott Clem addresses the fact
9 that granting United Water Florida, Inc. the territory
10 it is requesting in its application will violate the
11 St. Johns County Comprehensive Plan. My testimony
12 urges the Florida Public Service Commission to deny
13 this application by United Water Florida, Inc. to
14 amend its certificated territory in St. Johns County.

15 Q: Do you believe it is in the public interest for the
16 Florida Public Service Commission to grant United
17 Water Florida, Inc. the additional territory it has
18 requested in this application?

19 A: No, it would not be in the public interest for the
20 Florida Public Service Commission to grant this
21 application of United Water Florida, Inc. It is in
22 the public interest for St. Johns County to provide
23 water and wastewater services in the area requested by
24 United Water Florida, Inc. in this application because
25 St. Johns County has been pursuing the provision of

1 water and wastewater services to this area for some
2 time and can provide the most low cost, economically-
3 efficient and timely water and wastewater service to
4 the requested area through its agreement with JEA to
5 provide bulk water and wastewater services to the only
6 portion of the requested territory that requires
7 central water and wastewater services. It would be
8 contrary to the public interest for the Florida Public
9 Service Commission to grant United Water Florida,
10 Inc.'s application as it is inconsistent with the St.
11 Johns County Comprehensive Plan. These
12 inconsistencies will be discussed by St. Johns County
13 Witness Scott Clem.

14 Q: Can you provide some background on St. Johns County's
15 efforts to provide water and wastewater services in
16 this area?

17 A: Yes. St. Johns County owns and operates a potable
18 water treatment and distribution system and wastewater
19 treatment and collection facilities currently serving
20 approximately 35,000 customers. St. Johns County's
21 water treatment plants are permitted to provide in
22 excess of 7.0 MGD and its wastewater treatment plants
23 are permitted to treat approximately 5.0 MGD. St.
24 Johns County objects to United Water Florida's
25 application because St. Johns County currently serves

1 customers along the US-1 North corridor and has been
2 requested by several customers to provide service to
3 the corner of US-1 North and CR-210, the area which
4 United Water Florida, Inc. has included in this
5 application.

6 Q: Has St. Johns County received a request that it provide
7 water and wastewater services from a developer
8 intending to develop the area located at the
9 intersection of US-1 and CR-210?

10 A: Yes. By letter dated September 18, 1997, Mr. Raymond
11 M. O'Steen, President of First Coast Development
12 Corporation, the General Manager of Walden Chase
13 Developers, Ltd., requested that St. Johns County
14 provide water and wastewater service for the
15 development located at the intersection of US-1 and
16 CR-210. See a copy of this letter attached to my
17 testimony as Exhibit WY-2.

18 Q: Did the developer also request water and wastewater
19 service for the development located at the
20 intersection of US-1 and CR-210 from United Water
21 Florida, Inc.?

22 A: Yes. The developer filed an application for service
23 from United Water Florida, Inc. on August 10, 1998.
24 Therefore, the developer's request for service from
25 St. Johns County predated the developer's request for

1 service from United Water Florida, Inc. by
2 approximately eleven months. See a copy of this
3 application for service attached to my testimony as
4 Exhibit WY-3.

5 Q: To your knowledge has the developer subsequently
6 withdrawn its request for service by United Water
7 Florida, Inc.?

8 A: Yes. Walden Chase Developers, Ltd., has withdrawn its
9 request for service from United Water Florida, Inc.
10 for the development located at the intersection of US-
11 1 and CR-210 by a letter dated April 15, 1999, from
12 Mr. Raymond M. O'Steen. See the copy of this letter
13 attached to my testimony as Exhibit WY-4. Mr.
14 O'Steen's letter was addressed to Mr. Randall W.
15 Corbin of United Water Florida, Inc., and stated that
16 Florida First Coast Development Corporation and its
17 development entity, Walden Chase Developers, Ltd., had
18 entered into an agreement for water and sewer service
19 with St. Johns County for the proposed CR 210 PUD
20 located on County Road 210 east of U.S. 1. This
21 letter states that St. Johns County will be the first
22 entity to have water and sewer lines available because
23 St. Johns County has already executed an agreement
24 with JEA to serve the Allen D. Nease High School
25 located near the proposed development.

1 Q: You mentioned earlier in your testimony that granting
2 this application by United Water Florida, Inc. will
3 constitute a wasteful duplication of water and
4 wastewater treatment facilities that have already been
5 installed by St. Johns County. What were you
6 referring to in this statement?

7 A: In this statement, I was referring to the fact that, on
8 April 20, 1999, St. Johns County entered into an
9 agreement with the St. Johns County School District to
10 purchase water and wastewater treatment facilities and
11 distribution and transmission lines currently
12 providing service to the Allen D. Nease High School.
13 In conjunction with the provision of these water and
14 wastewater services, St. Johns County has entered into
15 an agreement with JEA for the provision of bulk water
16 and wastewater services to the County which in turn
17 will ultimately provide these services to the Allen D.
18 Nease High School. The St. Johns County agreement
19 with JEA is attached to my testimony as Exhibit WY-5.

20 Q: Can you tell us more about how these agreements with
21 the St. Johns County School District and with JEA
22 impact the application by United Water Florida, Inc.
23 in this proceeding?

24 A: Yes. The Allen D. Nease High School is located in
25 close proximity to the area being requested by United

1 Water Florida, Inc. Because of this close proximity,
2 St. Johns County's water and wastewater treatment
3 facilities are closer to the only area requested in
4 United Water Florida, Inc.'s application, the Walden
5 Chase development, that will require central water and
6 sewer services than those of any other utility at this
7 time.

8 Q: You mentioned earlier that St. Johns County has already
9 executed an agreement with the developer to provide
10 water and wastewater services. Can you tell us when
11 this agreement was executed?

12 A: Yes. Attached to my testimony as Exhibit WY-6 is a
13 copy of an agreement St. Johns County entered into
14 April 13, 1999, to provide water and wastewater
15 services to the developer, Walden Chase Developers,
16 Ltd., which requested service from St. Johns County
17 for its 600 unit approved Planned Unit Development
18 (PUD) located at the corner of US-1 North and CR-210.

19 Q: Were you personally involved in the execution of the
20 agreements between JEA and St. Johns County, between
21 Walden Chase Developers, Ltd., and St. Johns County,
22 and between the St. Johns County School District and
23 St. Johns County?

24 A: Yes, I was personally involved with the execution of
25 these agreements.

1 Q: Is the area requested by United Water Florida, Inc. in
2 its application included in St. Johns County's 1994
3 County Master Utility Plan and its overall planning
4 for its provision of water and wastewater services to
5 its residents?

6 A: Yes. The intersection of US-1 North and CR-210 is
7 described as a Future County Service Area in the 1994
8 County Master Utility Plan and the County has included
9 this area in its overall water and wastewater
10 development plans. St. Johns County Witness Herb Van
11 der Mark will address the details of the County's 1994
12 Master Utility Plan.

13 Q: Why do you state that granting United Water Florida,
14 Inc.'s application will violate St. Johns County's
15 Comprehensive Plan?

16 A: St. Johns County Witness Scott Clem, Planning Chief for
17 St. Johns County, will address the County's
18 Comprehensive Plan and the inconsistencies between
19 United Water Florida, Inc.'s application and the
20 Comprehensive Plan as it addresses water and
21 wastewater services in his testimony.

22 Q: What is the County's financial capability to provide
23 water and wastewater services to the requested area?

24 A: Because St. Johns County has included the territory
25 requested by United Water Florida, Inc. in its 1994

1 County Master Utility Plan, the County has also
2 addressed the financial analysis that is necessary to
3 provide the water and wastewater services it has
4 determined to be appropriate. Therefore, St. Johns
5 County clearly has the financial capability to serve
6 the requested territory.

7 Q: What effect will St. Johns County's provision of water
8 and wastewater services have on the environment and
9 the water resources generally in the requested area?

10 A: St. Johns County's provision of water and wastewater
11 services to the area at issue in this proceeding will
12 be environmentally benign. St. Johns County is very
13 sensitive to the environmental issues involved in this
14 area and has made great efforts to cooperate with the
15 Department of Environmental Protection and the St.
16 Johns River Water Management District to protect the
17 environment and the water supply in the area. The
18 removal of the Allen D. Nease water and sewer package
19 treatment plants also improves environmental quality.

20 Q: Why do you state that St. Johns County will be able to
21 provide water and wastewater services to the requested
22 area in a more economically efficient fashion than
23 United Water Florida, Inc. and what impact will St.
24 Johns County's provision of water and wastewater
25 services have on the customers in the requested area?

1 A: St. Johns County will be able to provide water and
2 wastewater services to the territory United Water
3 Florida, Inc. has requested in this application in a
4 more economically efficient manner because St. Johns
5 County already has facilities in place and a bulk
6 water and wastewater agreement to provide central
7 water and wastewater services to the only portion of
8 the requested territory that needs it at this time.
9 St. Johns County will only extend its facilities
10 throughout the remainder of the large requested
11 territory as development occurs and the need for water
12 and wastewater services arises, thus not
13 uneconomically investing in unnecessary facilities at
14 this time.

15 Q: Can you summarize your testimony please?

16 A: Yes. The County is authorized and desires to provide
17 water and wastewater services to the US-1 North and
18 CR-210 intersection and surrounding area. The County
19 has the technical and financial resources to provide
20 environmentally benign and economically efficient
21 water and wastewater services to the proposed Walden
22 Chase development and surrounding area and is,
23 therefore, the provider of choice. United Water
24 Florida, Inc.'s application is inconsistent with St.
25 Johns County's Comprehensive Plan and will violate the

1 pattern of development that the County has determined
2 to be appropriate. The Florida Public Service
3 Commission should deny United Water Florida, Inc.'s
4 application for amendment of its territory to include
5 this territory in St. Johns County.

6 Q: Do you believe United Water Florida, Inc. has the
7 technical and financial capabilities to provide water
8 and wastewater services to the area requested in this
9 application?

10 A: No. Because it will be necessary for United Water
11 Florida to make extensive investment in extending its
12 facilities to the customers in the requested
13 territory, United Water Florida, Inc. does not have
14 the technical and financial capability necessary to
15 provide the most low cost, economically-efficient
16 water and wastewater services for the requested area.
17 The significant investment required will negatively
18 impact United Water Florida, Inc.'s current and
19 potential customers. The County has committed to
20 provide the services requested by Walden Chase by
21 October 1, 1999. Therefore, it is unlikely that
22 United Water Florida, Inc. could provide service more
23 expeditiously than the County can. In addition,
24 because United Water Florida, Inc. will be required to
25 make additional investment, provision of service by

1 United Water Florida, Inc. is an inefficient and
2 uneconomical choice. The residents of St. Johns
3 County have already invested in the facilities that
4 have been purchased and the planning and the
5 agreements that have been entered into by the County
6 for the provision of water and wastewater services to
7 the territory requested by United Water Florida, Inc.

8 It is inappropriate and contrary to the public
9 interest to require customers to pay for a duplication
10 of these facilities and efforts.

11 Q: Does this conclude your testimony?

12 A: Yes.

WILLIAM G. YOUNG
8 Seminole Drive
St. Augustine, Florida 32095
Phone (904) 823-3610

CAREER OBJECTIVE: To utilize my knowledge and experience in public utility administration while contributing to the effectiveness and commitment to excellence of a modern public utility.

EDUCATION:

- Received Masters Degree in Public Administration (MA) from University of North Florida, Jacksonville, 1995
- Received Bachelor of Arts Degree from University of Florida, Gainesville, 1986 (Major: Political Science)
- Received Associate of Arts Degree from St. Johns River Community College, Palatka, Florida, 1980

WORK EXPERIENCE:

October 1995 - Present
ASSISTANT UTILITY DIRECTOR
St. Johns County Utility Department, P.O. Drawer 3006, St. Augustine, Florida 32085
Assists Director in administration and operation of water, wastewater, and reuse utility which serves approximately 40,000 customers and employs 75 fulltime positions. Oversees compilation and implementation of both operations and capital budgets, as well as formulation of short and long range plans for service expansion. Supervises division heads in water, wastewater, and reuse operations.

June 1985 - October 1995
WATER TREATMENT SUPERVISOR
St. Johns County Utility Department, St. Augustine, Florida
Directly responsible for proper operation of class "A" water treatment plant and distribution to more than 30,000 customers. Supervise twelve operators and an annual budget of \$1.5 million dollars.

March 1989 - Present
WATER PLANT OPERATOR
Camachee Cove Water System, 3070 Harbor Drive, St. Augustine, Florida 32095
Oversee and maintain small water plant system. Job includes compliance, record keeping and operation of a 60,000 gallon per day Reserve Osmosis Plant.

WILLIAM G. YOUNG
8 Seminole Drive
St. Augustine, Florida 32095
Phone (904) 823-3610

June 1984 -
March 1991

ENVIRONMENTAL SUPPORT SPECIALIST

202nd Civil Engineering Squadron, Florida Air National Guard, Route 1,
Box 485, Camp Blanding, Starke, Florida 32091
Non-commissioned officer and trainer in both water and wastewater
technologies.

**SKILLS AND
MEMBERSHIPS:**

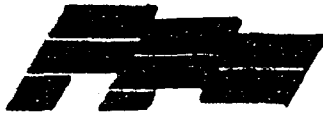
- Advanced computer training in Word Perfect 6.1, Lotus 1-2-3 and Dbase IV
- Member:
 - American Water Works Association (A.W.W.A.)
 - Florida Water Pollution Control Operators Association (F.W.P.C.O.A.)
 - University of North Florida Public Administration Honor Society (Pi Alpha Alpha)
 - St. Augustine Rotary Club
 - Historic St. Augustine Toastmasters Club
- Holds Class "A" Florida Water Treatment and Class "C" Distribution Licenses
- Awarded 1993 A.W.W.A. Roy Likins scholarship
- St. Johns County Team Captain for March of Dimes 1995, 1996

REFERENCES:

Donald E. Maurer, P.E.
Camp Dresser and McKee Inc.
6650 Southpoint Parkway, Suite 330
Jacksonville, Florida 32216
Tel. (904) 281-0170

Theodore J. Stumm, Ph.D
Coordinator M.P.A. Program
University of North Florida
4567 St. Johns Bluff Road, South
Jacksonville, Florida 32224-2654
Tel. (904) 646-2977

Others furnished upon request



**FLORIDA FIRST COAST
DEVELOPMENT CORPORATION**

*Bill Y.
LET'S discuss
Hess*

September 18, 1997

Mr. Herb Van Der Mark
St. Johns County Utilities, Inc.
P.O. Box 3006
St. Augustine Florida 32085-3006

Reference: Utility Service C.R. 210 and U.S. 1

Dear Mr. Van Der Mark:

As a follow-up to your meeting with England, Thims & Miller, Inc., our consultant, I would respectfully request your consideration for providing water and sewer utility service to the Mixed Use development area at C.R. 210 and U.S. 1. Florida First Coast Development Corporation proposes to develop 400 to 700 residential units at this location (See attached map). It is my understanding as Developer, I would be responsible for designing and constructing package water and wastewater plants to the utilities' standards.

Upon acceptance of the plant construction the County Utility would own and operate this system. The cost of plant improvements would be credited against future connection charges.

Your concurrence with the outlined program for water and sewer service is respectfully requested.

Should you have any questions, please call either me (268-8741) or Doug Miller at England, Thims & Miller, Inc.

*600 homes
x 3,167.50 w/f
\$ 1,900,500*

Sincerely,

Raymond M. O'Steen
Raymond M. O'Steen

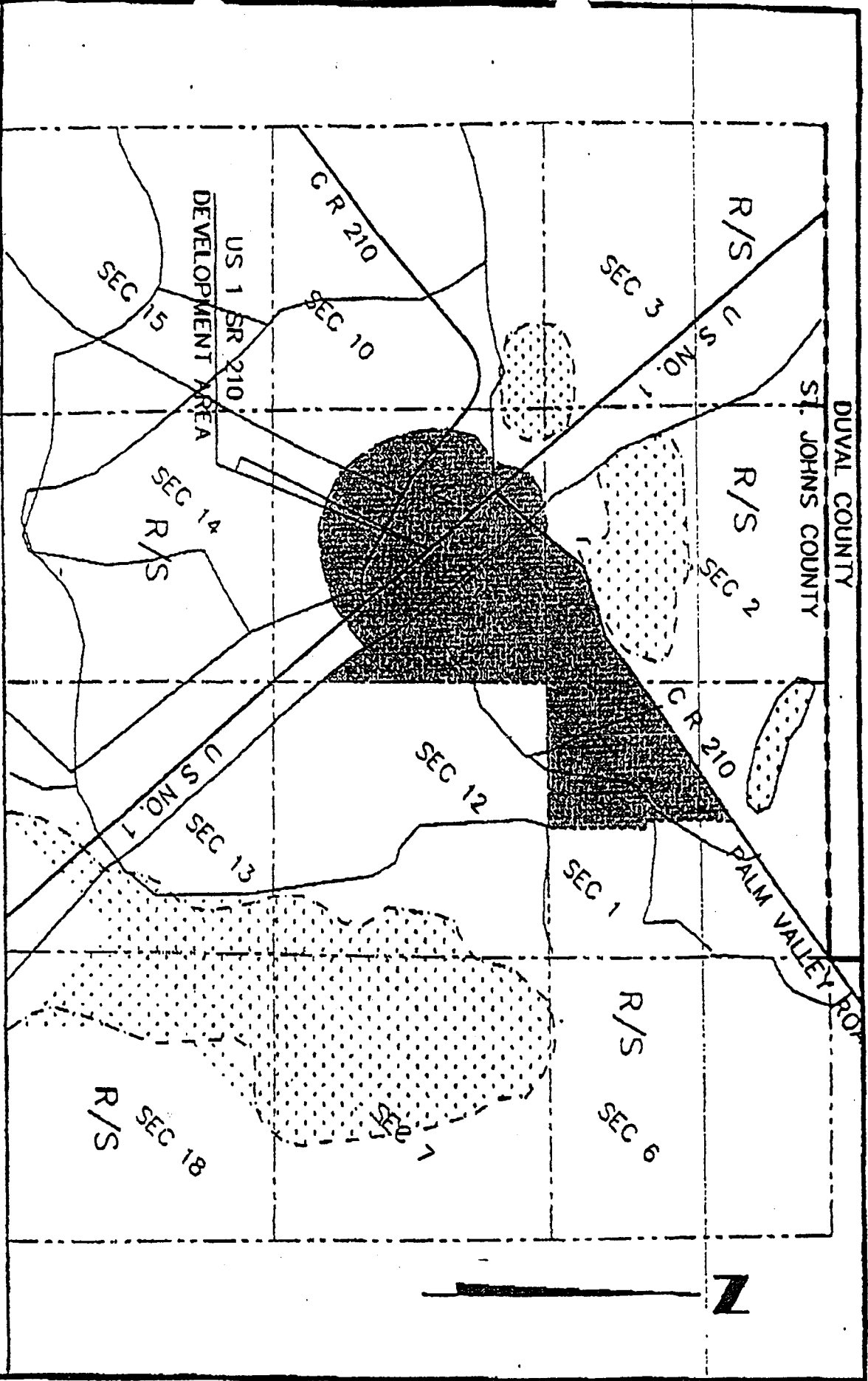
EXHIBIT WY-2

England-Thlms
Miller, Inc.
 BRANCHES - PLANNERS
 ARCHITECTS - LANDSCAPE ARCHITECTS
 1121 St. Johns Blvd. South
 Jacksonville, Florida
 Phone No. (904) 642-9990
 Fax No. (904) 642-9443

PROPOSED LANDUSE MAP

MCCORMACK TRACT
 FOR AGNCOURT DEVELOPERS II
 ST. JOHNS COUNTY, FLORIDA

ETA. NO. E 97-69
 DATE: AUGUST 26, 1997
 SCALE: N.T.S.
 DRAWING NO: 1





ST. JOHNS COUNTY, FLORIDA

Board of County Commissioners



P.O. Box 3006
St. Augustine, Florida 32085-3006
Phone: (904) 471-2161 • Fax: (904) 461-7619

December 8, 1997

Mr. Raymond M. O'Steen
Florida First Coast
Development Corporation
2999 Hartley Road, Suite 102
Jacksonville, Fl 32257

Re: Utility Service CR 210 / US 1

Dear Mr. O'Steen:

In reference to your letter dated September 18, 1997, the St. Johns County Utility Department is in concurrence with your understanding of the developer's responsibilities for design and construction of water/wastewater treatment plants per St. Johns County Utility Design Standards/Specifications and upon acceptance of plant facilities the transfer of ownership to the St. Johns County for operation and maintenance.

When the overall scope of the project has been established, the cost of plant improvements and any associated credit requests toward unit connection fees will need to be reviewed by the Utility Department and the County Administrator and is subject to final approval by the Board of County Commissioners.

Please call me at (904) 471-2161 should you have any additional questions.

Sincerely,

Herbert A. Van Der Mark
Construction Manager of Utilities
St. Johns County

cc: Doug Miller, ETM
Bobby L. Jones, SJCUD
Bill Young, SJCUD

United Water



United Water Florida
1400 Millcoo Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4690

APPLICATION FOR SERVICE

(Developer/Applicants)

APPLICATION FOR: WATER SERVICE []
WASTEWATER SERVICE []
WATER & WASTEWATER SERVICE [X]

(1) Property to be served: (Attached legal description, current zoning, plat map and development plan).

Southeast intersection of CR-210 and U.S.-1, legal description attached.

(2) Street Address of Property to be served: See Legal Description

(3) Intended land use & quantity:

(a) Single family homes: 385 (b) Apt. Units: _____
(c) Admin. & Ret. Units: _____ (d) Commercial Units: _____
(e) No. Fixture Units: _____ (f) Other: _____

(4) State nature of title or interest held by applicant in the described property:

Owner

(5) Estimated date service will be needed: July '99

(6) Name (s): Florida First Coast Development Corporation
(Corporation, Firm, or Individual that the Agreement name shall be in).

Mailing address: 2999 Hartley Road Suite #102
Jacksonville, FL 32257

Telephone: (904) 268-8741

Signed:

(RAY O'STEEN)

Title:

President

Date:

8/10/98

Service Utility will respond to this application in accordance with its written Service Availability Policy and the Rules and Regulations of the Florida Public Service Commission.

Service Utility shall be obligated to furnish Water and Wastewater to an applicant only as a result of and under the terms of a properly executed Developer's agreement or Contract.

LEGAL DESCRIPTION

A PART OF SECTIONS 2 AND 11, TOWNSHIP 5 SOUTH, RANGE 28 EAST, ST. JOHNS COUNTY, FLORIDA MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR A POINT OF BEGINNING COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 11; THENCE S.00°56'08"E., ALONG THE EAST LINE OF SAID SECTION 11, A DISTANCE OF 2674.86 FEET, TO THE SOUTHEAST CORNER OF THE LANDS DESCRIBED IN DEED BOOK 204, PAGE 328 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE S.88°52'40"W., ALONG THE SOUTH LINE OF SAID LANDS, A DISTANCE OF 1329.87 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF A 50 FOOT RIGHT-OF-WAY KNOWN AS "OLD DIXIE HIGHWAY"; THENCE N.39°52'04"W., ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1546.63 FEET TO A POINT ON THE NORTHWESTERLY LINE OF THE LANDS DESCRIBED IN DEED BOOK 204, PAGE 326 OF SAID PUBLIC RECORDS; THENCE N.48°57'30"E., ALONG SAID NORTHWESTERLY LINE, A DISTANCE OF 982.65 FEET TO THE MOST NORTHERLY CORNER OF SAID LANDS DESCRIBED IN DEED BOOK 204, PAGE 326; THENCE N.41°02'30"W., ALONG THE NORTHEASTERLY LINE OF THE LANDS DESCRIBED IN DEED BOOK 149, PAGE 106, A DISTANCE OF 760.00 FEET TO THE MOST NORTHERLY CORNER OF SAID LANDS; THENCE S.48°57'30"W., ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID LANDS, A DISTANCE OF 947.07 FEET TO A POINT ON THE AFOREMENTIONED NORTHEASTERLY RIGHT-OF-WAY LINE OF "OLD DIXIE HIGHWAY"; THENCE N.39°52'04"W., ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 657.48 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF PALM VALLEY ROAD, COUNTY ROAD NO. 210, (AS NOW ESTABLISHED AS A 100 FOOT RIGHT-OF-WAY); THENCE NORTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE THE FOLLOWING FIVE COURSES: 1) N.41°36'00"E., A DISTANCE OF 1036.40 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 316.47 FEET; 2) NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A CHORD BEARING OF N.56°39'27"E., A CHORD DISTANCE OF 164.43 FEET AND AN ARC DISTANCE OF 166.34 FEET TO THE POINT OF TANGENCY OF SAID CURVE; 3) N.71°42'54"E., A DISTANCE OF 746.02 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 909.92 FEET; 4) NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A CHORD BEARING OF N.63°32'22"E., A CHORD DISTANCE OF 258.79 FEET AND AN ARC DISTANCE OF 259.67 FEET TO THE POINT OF TANGENCY OF SAID CURVE; 5) N.55°21'50"E., A DISTANCE OF 1702.11 FEET TO AN INTERSECTION WITH THE EAST LINE OF AFOREMENTIONED SECTION 2; THENCE S.00°39'24"E., ALONG SAID EAST LINE OF SECTION 2, A DISTANCE OF 1756.92 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 2 AND THE POINT OF BEGINNING. CONTAINING 187.14 ACRES MORE OR LESS.

McCORMICK TRACT

April 10, 1998

LEGAL DESCRIPTION

A PART OF THE WEST 414.37 ACRES OF SECTION 1, TOWNSHIP 5 SOUTH, RANGE 28 EAST, ST. JOHNS COUNTY, FLORIDA, LYING SOUTH OF COUNTY ROAD 210, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR THE POINT OF BEGINNING COMMENCE AT THE INTERSECTION OF THE WEST LINE OF SAID SECTION 1, WITH THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 210, FORMERLY STATE ROAD 210 (AS NOW ESTABLISHED AS A 100 FOOT RIGHT-OF-WAY); THENCE S.00°39'24"E., ALONG THE WEST LINE OF SAID SECTION 1, A DISTANCE OF 1750.92 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 1; THENCE N.89°12'03"E., ALONG THE SOUTH LINE OF SAID SECTION 1, A DISTANCE OF 2859.57 FEET; THENCE N.00°41'00"E., A DISTANCE OF 1836.19 FEET; THENCE N.87°51'50"W., A DISTANCE OF 155.87 FEET; THENCE N.00°41'00"E., A DISTANCE OF 1650.00 FEET TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 210; THENCE S.55°21'50"W., ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 3117.81 FEET TO THE POINT OF BEGINNING. CONTAINING 159.10 ACRES MORE OR LESS.



**FLORIDA FIRST COAST
DEVELOPMENT CORPORATION**

April 15, 1999

Mr. Randall W. Corbin
United Water Florida, Inc.
1400 Millcove Road
Post Office Box 8004
Jacksonville, Florida 32239-8004

RE: CR 210 PUD Application for Service

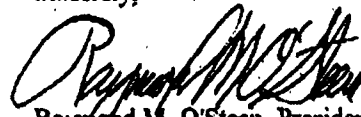
Dear Mr. Corbin:

On or about August 12, 1998, Florida First Coast Development Corporation ("First Coast") submitted an application for water and sewer services for the CR 210 PUD located on County Road 210 east of U.S. 1. The application was accompanied by a \$2,750.00 application fee. We understand that you used the application fee in connection with your proposed expansion of the service area.

The purpose of this letter is to notify you that First Coast and its newly created development entity, Walden Chase Developers, Ltd., have entered into an agreement for water and sewer service with St. Johns County. Accordingly, First Coast hereby withdraws its application for water and sewer service.

We appreciate your efforts to provide service to the project and we are sorry that things have not worked out. We have entered into the agreement with St. Johns County because it appears that they will be the first entity to have water and sewer lines available as a result of their agreement with JEA to serve the Allen Nease High School located near our project.

Sincerely,



Raymond M. O'Steen, President
Florida First Coast Development Corp.

RMO/ch

cc: Bill Young
Scott Kelly
John G. Metcalf, Esq.

2999 Hartley Road, Suite 102 • Jacksonville, Florida 32257 • (904) 268-8741

EXHIBIT WY-4

April 13, 1999

WATER AND WASTEWATER UTILITY SERVICES AGREEMENT

BETWEEN

JEA

AND

ST. JOHNS COUNTY

EXHIBIT WY-5

WATER AND WASTEWATER UTILITY SERVICES AGREEMENT

THIS AGREEMENT is made as of this ____ day of April, 1999 between JEA, a public body corporate and politic of the State of Florida, and ST. JOHNS COUNTY, a political subdivision of the state of Florida (the "County").

W I T N E S S E T H:

WHEREAS, JEA is in the business, among others, of constructing and operating water and wastewater facilities and systems and providing water and wastewater utility services; and

WHEREAS, JEA is developing a reuse system to facilitate the reuse of wastewater; and

WHEREAS, the County wishes to procure wholesale water and wastewater utility services from JEA and to have JEA construct certain water and wastewater facilities and to operate JEA's water and wastewater systems in connection with the provision of such services to the County; and

WHEREAS, the capacity of JEA's existing water and wastewater treatment plants exceed current usage such that there is sufficient capacity to provide water and wastewater services to the County, and JEA desires to provide these services to the County, and is willing to construct the necessary water and wastewater facilities and operate the systems to deliver such services to the County on the terms and conditions set forth herein; and

WHEREAS, the County and JEA also wish to (1) explore mutually beneficial opportunities to improve the efficiency of the water and wastewater utility systems, (2) provide an efficient, environmentally sound means for planning, designing, and constructing regional water and sewer transmission facilities and (3) establish the basis for future alliances beneficial to both the County and JEA;

NOW, THEREFORE, it is hereby mutually agreed as follows:

1. CERTAIN DEFINITIONS

The following terms shall have the meanings set forth below:

1.1 “Developer” shall mean a Person who, for residential, governmental, commercial or industrial use, has developed real property within the Service Area by constructing thereon, among other things, adequate facilities for the distribution of Water to and collection of Wastewater from individual sites within the boundaries of the real property comprising the development.

1.2 “Facilities” means the Water Facilities and Wastewater Facilities as defined herein. “Duval Facilities” means that portion of the Facilities residing within Duval County. “St. Johns County Facilities” means that portion of the Facilities residing within St. Johns County.

1.3 “Party” shall mean JEA or the County; “Parties” shall mean JEA and the County.

1.4 “Person” shall include governmental, non-profit, business and professional entities, however organized.

1.5 “Project” shall mean the construction of that portion of the Facilities set forth in Exhibits A and B hereto. The Project may be limited in the manner set forth in Section 2.1 to Option 1, Option 2, and/or Option 3 as attached herein on Exhibits A and B.

1.6 “Service Area” shall mean the area anticipated by the Parties to be eventually served under this Agreement as shown on Exhibit A. The “Phase I Area” shall mean the area shown on Exhibit A and anticipated by the Parties to be served first under this Agreement and includes Allen D. Nease High School. The “Phase II Area” shall mean the area shown on Exhibit A and which the Parties recognize may, depending upon circumstances, be

included in this Agreement.

1.7 “Project Costs” shall mean JEA’s costs in connection with design, permitting and construction of the St. Johns County Facilities. “Phase I Costs” shall mean JEA’s costs in connection with design, permitting and construction of the St. Johns County Facilities in the Phase I Area. “Phase II Costs” shall mean JEA’s costs in connection with design, permitting and construction of the St. Johns County Facilities in the Phase II Area. Project Costs shall also include JEA’s costs attributable to increasing the size of the necessary sewer line in Duval County from 12 inches to 16 inches. This cost shall be included as a cost in Phase I.

1.8 “Services” shall mean the provision and transport of wholesale Water and the transport and processing and disposal of wholesale Wastewater by JEA through the Facilities to and from, as the case may be, the Service Area for the County’s use in providing retail service in the Service Area.

1.9 This section intentionally left blank.

1.10 “Wastewater” or “Sewage” means the combination of the liquid and water-carried pollutants from a residence multifamily, commercial building, industrial plant, or institution.

1.11 “Wastewater Facilities” means the sewers, mains, pipes, pumps, connections and other property used to transport Wastewater or Sewage in the Service Area as set forth on Exhibits A and B.

1.12 “Wastewater System” means the transporting and processing of Wastewater and includes the Wastewater Facilities and other property used to transport and process and dispose of Wastewater in servicing the Service Area.

1.13 “Water” means potable water meeting the applicable federal, state, and local

laws and regulations for human consumption, fire protection, irrigation and consumption by business and industry.

1.14 "Water Facilities" means the pumps, meters, mains, pipes, connections, and other property, used to provide Water to serve the applicable Service Area.

1.15 "Water System" means the Water Facilities, and other property, used to provide Water which shall have at least capacity of one million five hundred thousand (1,500,000) gallons per day average annual daily flow available to serve the Project in the Service Area as set forth on Exhibit A and Exhibit B.

2. SCOPE AND TERM OF THE AGREEMENT

2.1 With the exception of section 3.2, this Agreement shall become binding on the date herein provided. JEA shall not be obligated to begin the Project until JEA's reasonable acceptance of the County's notification to JEA that the County has received and accepted an application to the County by a Developer wherein the Developer requests retail water and wastewater services from the County and who states in writing that he or she will be ready, willing and able to connect to the St. Johns Facilities within a reasonable time after construction of the Facilities (the "Effective Date") have been completed (the "Connection Notice"). The County shall designate whether it is exercising Option 1, 2, or 3, and may subsequently issue a Connection Notice for those options not initially exercised. If JEA receives the Connection Notice related to Property in the Phase II Area, prior to the exercise of the Phase I Area, then said Connection Notice shall comprise the entire Service Area. Section 3.2 becomes effective on the date this agreement is executed.

2.2 The term of this Agreement shall be from the date of initial wholesale service of Water by JEA for either Phase of the Project through and including the later of (a) twelve (12) years from said date or (b) the date on which all Project Costs have been fully recovered

by JEA (the "Original Term"), and thereafter, for two five year renewal terms upon mutual agreement of the Parties (the "Renewal Terms") and thereafter until terminated on written notice from either Party to the other of its election to terminate the Agreement, such written notice to be given at least three hundred sixty five days prior to the termination of the Original Term or any Renewal Term.

2.3 Parties agree that the scope of this Agreement may be expanded, by mutual consent by St. Johns County and the Chief Executive Officer of JEA to include other areas in the County.

3. OWNERSHIP AND CONSTRUCTION OF THE FACILITIES

3.1 JEA shall own the Facilities until such time as the County has fully reimbursed JEA for all Project Costs. Upon such reimbursement, JEA shall convey the St. Johns Facilities free and clear of all encumbrances to the County for \$1.00 by means of a deed, bill of sale or other appropriate instrument of conveyance.

3.2 Prior to the Effective Date, JEA will commence design of the Facilities. However, JEA shall be under no obligation to commence permitting or construction of the Facilities until the Effective Date.

3.3 The Parties agree to use all reasonable efforts to substantially complete the Project within the schedule generated by JEA's construction management group, which schedule shall be generated within thirty (30) days from the Effective Date of this Agreement. Annexed as Exhibit C is the proposed schedule for construction of the Facilities.

3.4 The County shall (a) take every reasonable step to assist JEA in design review and obtaining permits, access, and other necessary items as may be needed, from time to time, in the design and construction of the Project; and (b) at such times as may be necessary and expedient to permit JEA to comply with the terms of this Agreement, provide to JEA,

at the County's sole cost, all necessary easements for the construction, use, maintenance, and replacement of the St. Johns Facilities together with such other easements as may be necessary to afford ingress, egress and provision of the Services by grants of easement covering such time as JEA owns said Water and Wastewater Facilities with full warranties of title, free and clear of all liens and encumbrances.

3.5 JEA shall: (a) make all reasonable efforts to meet the schedule date for substantial completion of the Project; and (b) provide to the County all "As-Built" drawings for the Water and Wastewater Facilities in St. Johns County for this Project.

3.6 Notwithstanding anything in this Agreement to the contrary, the County and JEA each hereby waive all rights against the other to monetary damages for any delays in completion of the Project.

3.7 The Facilities shall be designed and constructed in accordance with the respective utility design standards and specifications of the Parties, which are by this reference incorporated herein.

3.8 The Parties may, by mutual consent, make defined changes in the Facilities, which such changes shall each be documented in a written change order, approved in accordance with the policies of the respective governing authorities of JEA and the County. The Parties recognize, however, that such changes may increase the Project Costs and may delay completion of the construction of the Facilities.

4. OPERATION OF THE SYSTEM

4.1 The County hereby appoints JEA the exclusive provider of the Services to the County within the Service Area. JEA shall manage the operation of the Water and Wastewater Systems as a whole, provided, however, that the County shall bear the entire cost of maintaining the St. Johns County Water and Wastewater Facilities and the County

shall bear the entire cost of operating the Water and Wastewater Systems in St. Johns County. JEA shall bear the cost of (a) maintaining the Facilities in Duval County and (b) operating the Systems in Duval County. The Parties agree to carry out their respective responsibilities in accordance with all applicable federal, state and local environmental statutes, laws, ordinances, rules and regulations and in accordance with generally accepted industry practices throughout the term of the Agreement.

4.2 The County shall: (a) provide, or require its customers to provide, backflow preventors for the Water System in accordance with JEA backflow prevention policies and procedures; and (b) ensure, in the event that the County or any of its customers generates industrial waste at any site, that such site will have an approved industrial pretreatment program in place prior to connecting to JEA's Wastewater System, which pretreatment program shall conform to the requirements of both JEA and those of St. Johns County.

4.3 The County shall be responsible for all customer relations, including, without limitation, initiation of service, customer relations and communications, complaints, billing and collections. The County shall charge its customers its uniform published rates for connections.

4.4 JEA agrees that it shall not provide retail service to the Service Area without the prior approval of St. Johns County.

5. PAYMENTS BY THE COUNTY

5.1 The Parties agree that JEA's Project Costs, to be fully recovered by JEA from the County under this Agreement, are as follows:

(a) The Project Costs are Five Million Two Hundred and Twenty Six Thousand Dollars (\$5,226,000.00).

(b) The Phase I Costs are Two Million Eight Hundred and Forty Five

Thousand Dollars (\$2,845,000.00).

(c) The Phase II Costs are Two Million and Three Hundred and Eight One Thousand Dollars (\$2,381,000.00).

5.2 As payment for the Project Costs and for Water and Wastewater Services JEA provides to the County under this Agreement, the County shall pay to JEA as follows:

(a) Until the Project Costs for each separate Phase Area have been fully recovered by JEA, the County shall pay over to JEA quarterly in arrears all legally payable unit connection fees paid to the County for each and every connection made to the Facilities within the applicable Phase Area. Additionally, the County shall pay to JEA monthly in arrears a charge consisting of (1) base Water and Sewer fees and (2) Water and Sewer usage fees measured by the actual flow rate measured at the master water meter based on JEA's then uniform published rate for: (A) a ten (10") inch water meter if the Project is constructed and operated in its entirety from the outset, or (B) an eight (8") inch water meter if the Project is constructed and operated in Phases; provided, however, that Sewer usage fees shall be at JEA's uniform published rate for a limited sewer wholesale customer of the same classification as the Project. The County understands and accepts that JEA's rates, fees and charges may change from time to time during the term of this Agreement.

5.3 After the Project Costs have been fully recovered by JEA for each Phase Area, the County shall pay JEA as follows: (a) for capacity, pay to JEA quarterly in arrears a standard capacity fee for each and every additional connection to the Facilities within the Service Area in accordance with JEA's uniform published rates; and (b) for Water and Sewer usage, pay to JEA monthly in arrears a charge consisting of (1) base Water and Sewer fees and (2) Water and Sewage usage fees measured by the actual flow rate measured at the master water meter based on JEA's then uniform published rate for: (x) a ten (10") inch

water meter if the Project is constructed and operated in its entirety from the outset, or (y) an eight (8") inch water meter if the Project is constructed and operated in Phases; provided, however, that Sewer usage fees shall be at JEA's uniform published rate for a limited wholesale sewer customer of the same classification as the Project. The County understands and accepts that JEA's rates, fees and charges may change from time to time during the term of this Agreement. It is the intent of the Parties that as the Project Costs are paid for each Phase Area, such Phase Area, shall be released from Section 5.2.

5.4 - JEA covenants that the County will be entitled to the same rates and charges issued to JEA water and wastewater Customers in Duval County for the same rate class.

5.5 Payments for Water and Sewer usage shall be made by the County within thirty (30) days of receipt of JEA's statement. Payments not timely received by JEA shall bear a penalty in accordance with JEA's uniform policies and procedures. JEA shall have the right to audit the books and records of the County and to conduct field investigations with regard to unit connections and associated capacity fees.

5.6 It is understood that the County is not warranting the number of retail customers to be served or the size and capacity specifications for the Water and Wastewater Facilities, and that JEA has relied upon its own expertise in sizing and constructing such Facilities.

6. GENERAL

6.1 JEA shall at all times use reasonable care and act in good faith in performing its duties hereunder.

6.2 No bonding will be required of JEA or the County. Performance and payment bonds will be required of all contractors in accordance with JEA's standard contract provisions.

6.3 JEA and the County both agree that during the term of this Agreement each shall at all times comply with all applicable federal, state or local statutes, laws, ordinances, rules and regulations, including environmental laws and regulations. In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (collectively, the "Remedial Work") is required pursuant to any applicable federal, state, local law, ordinance, rule or regulation, any judicial order, or by any governmental entity, due to the actions or activities of either party, the party whose actions or activities made the Remedial Work necessary shall bear the responsibility to perform or cause to be performed the Remedial Work in compliance with such law, ordinance, rule or regulation or order. The County agrees and acknowledges that JEA shall not be responsible for any environmental liability within the Service Area resulting from a condition or activity within St. Johns County prior to commencement of the Project.

6.4 JEA shall continuously provide the County with all Water and Wastewater Services needed by the County for the Service Area, provided, however, JEA shall not be liable to the County for any failure to perform or delay in performance hereunder where such failure or delay is occasioned by circumstances beyond JEA's control. JEA shall provide the *pro rata* share to the Service Area of whatever reduced service, if any, that is being provided to or in Duval County arising out of the same cause of the failure or delay in performance.

6.5 JEA and the County shall comply with all applicable federal, state, county and local laws, ordinances, regulations and codes in the performance of this Agreement and shall, by providing timely information to each other, assist each other in complying with such laws to the extent that it is their obligation to so do. All obligations under this Agreement shall be performed in compliance with all applicable legislation and government agency orders and regulation prohibiting discrimination against any employee or applicant for employment

because of race, color, religion, sex, national, origin, age or handicap. Where required by law, certificates of compliance shall be provided. JEA and the County shall comply with the provision of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal, state and local laws.

6.6 All the terms, provisions and conditions of this Agreement shall inure solely to the benefit of and shall be enforceable solely by the Parties hereto and their respective successors and assigns. This Agreement is not intended to and shall not benefit any third party, nor shall any third party have any rights hereunder or as a result of this Agreement or any right to enforce any provisions of this Agreement. No assignments shall be made by either Party without the written consent of the other.

6.7 Subject to the terms and conditions hereof: (a) this Agreement contains the entire understanding of the Parties hereto in respect of the Project; (b) there are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth herein; (c) this Agreement supersedes all prior agreements and understandings between the Parties with respect to such subject matter; (d) this Agreement may be amended only by a written instrument duly executed by the Parties hereto or their respective successors or assigns; and (e) any condition to a Party's obligations hereunder may be waived by such Party.

6.8 All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed by Certified or Registered mail, return receipt requested, postage prepaid.

If to JEA:

Construction and Maintenance, JEA
Vice President
21 West Church Street

Jacksonville, Florida 32202-3139

with a copy to:

The Office of General Counsel of the City of Jacksonville
117 West Duval Street, Suite 480
Jacksonville, Florida 32202.

If to the County:

St. Johns County Utilities
Utility Director
P. O. Drawer 3006
St. Augustine, Florida 32085-3006

The person and address to whom notices are to be delivered or sent may be changed by delivering written notice thereof to the other party in the manner provided above not less than ten (10) days prior to the effective date of said change.

6.9 If any one or more of the covenants, agreements or provisions of this Agreement shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void, and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions of this Agreement.

6.10 Except as provided in this Agreement, the rights and obligations of the Parties hereunder are not assignable and may not be transferred without the prior written consent of the other Party hereto, which will not be unreasonably withheld.

6.11 The terms and conditions of this Agreement will be governed by the internal law of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned parties have duly executed this Agreement as of the date this Agreement is executed on behalf of JEA as indicated below.

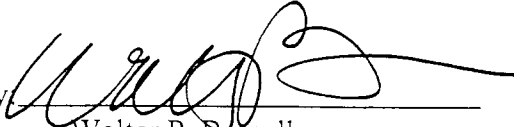
ST. JOHNS COUNTY

By: Belle Cole
Its: County Administrator
Date: April 13, 1999


Witnesses:

W. B. J.

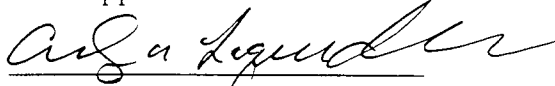
JEA:

By 
Walter P. Bussells,
Managing Director and
Chief Executive Officer

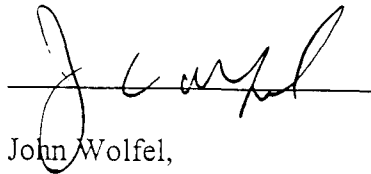
Date: 4-20-99

Attest: 
Staff Support Assistant

Form approved:


Office of General Counsel

I hereby certify that the expenditure contemplated by the foregoing contract has been duly authorized, and provision has been made for the payment of the monies provided therein to be paid.

A handwritten signature in cursive script, appearing to read "John Wolfel", is written over a horizontal line.

John Wolfel,

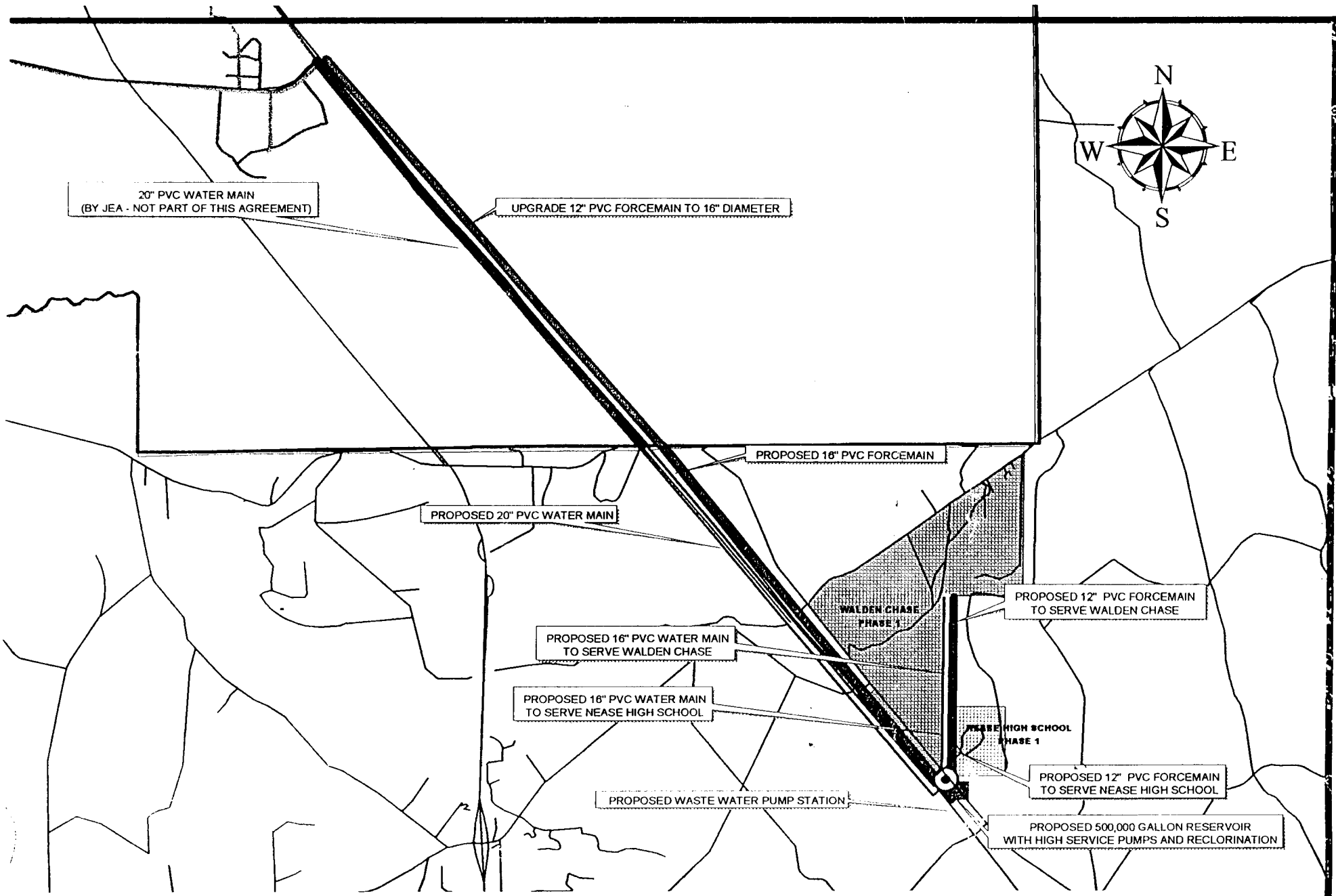
Controller

JEA

EXHIBITS

- A. Map of Phases
- B. Written Description of Phases
- C. Schedule

4/13/99 CAL K:PAULA\JIM\SCJWPB.413

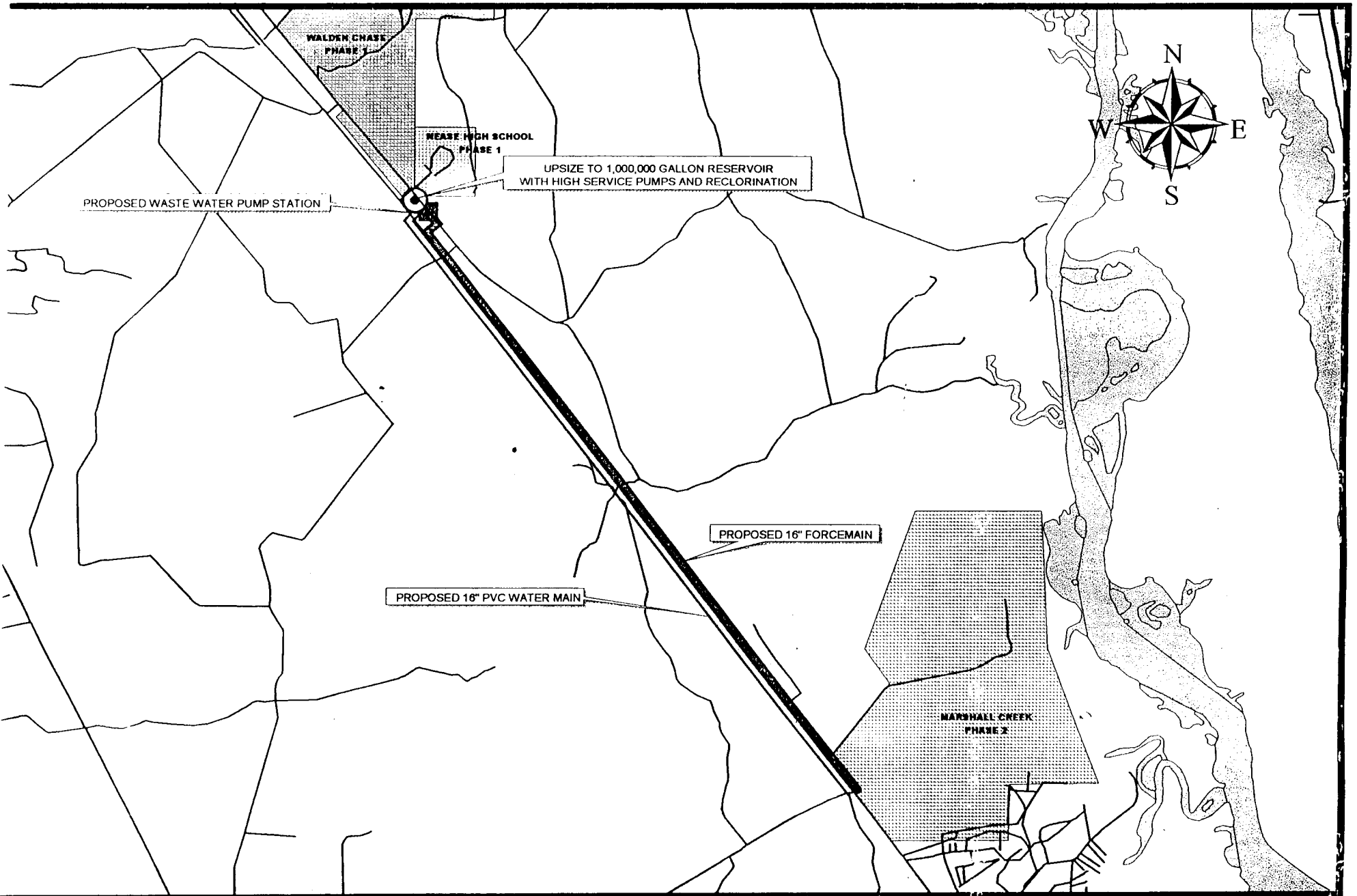


WATER AND WASTEWATER UTILITY SERVICE AGREEMENT

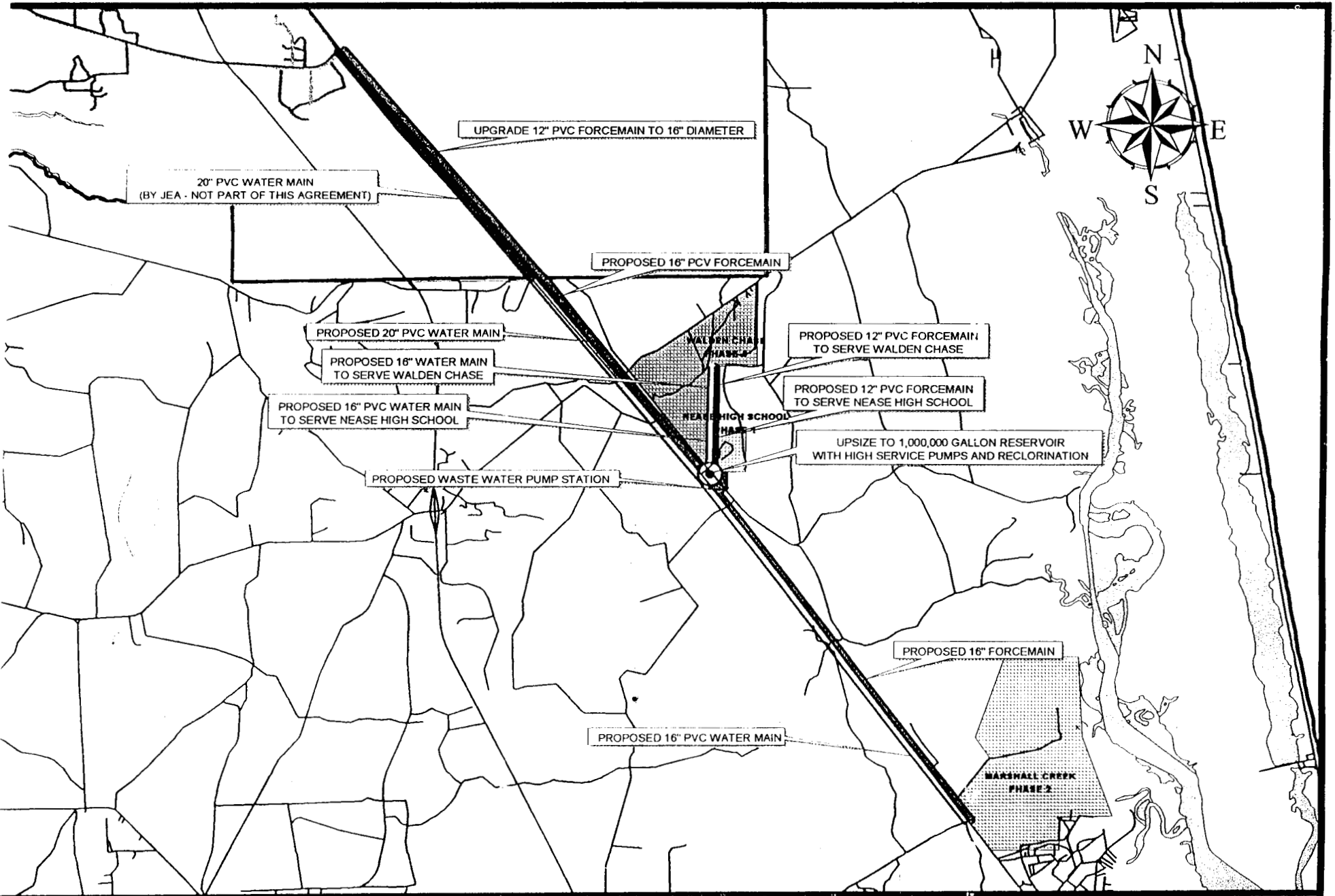
EXHIBIT "A" OPTION 1



JEA DELIVERY BUSINESS UNIT
 GIS SECTION
 APRIL 5, 1999
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WATER AND WASTEWATER UTILITY SERVICE AGREEMENT
EXHIBIT "A" OPTION 2



WATER AND WASTEWATER UTILITY SERVICE AGREEMENT
EXHIBIT "A" OPTION 3



JEA DELIVERY BUSINESS UNIT
 GIS SECTION
 APRIL 5, 1999
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WATER AND WASTEWATER UTILITY SERVICES AGREEMENT

BETWEEN JEA AND ST. JOHNS COUNTY

EXHIBIT "B"

Option 1:

The extension of the water and wastewater facilities from the Duval County/St. Johns County line, southerly along the US # 1 rights-of-way, to a point south of the intersection of US # 1 and County Road 210, then northerly through an easement to the Phase I area. The improvements will include approximately 3.5 miles of both 16-inch diameter PVC force main and 20-inch diameter PVC water main in U.S. # 1 right of way and approximately one third mile of both 12-inch diameter PVC force main and 16-inch diameter PVC water main in the easement serving Nease High School portion of Phase I area properties. Additional extensions of approximately two thirds of a mile with a 12-inch diameter PVC force main and a 16-inch PVC water main in the easement serving Walden Chase portion of Phase I area properties will also be included.

The project shall include an upsizing of approximately three miles of 12-inch force main to 16-inch diameter force main along US # 1 between the intersection of Old St. Augustine Road and the Duval County/St. Johns County line.

A 500,000 gallon water reservoir with high-service pumps, a standby generator, and a re-chlorination facility and a master wastewater pump facility adequate to handle sewage from the Phase I area shall also be included in the scope of the project.

Option 2:

Increase capacity of the reservoir to 1,000,000 gallons and increase capacity of high-service pumps, standby generator and re-chlorination facility to match larger reservoir. Upsize wastewater pumping station to serve both Phase I and Phase II area properties.

Install 4.5 miles of 16-inch diameter water main and 16-inch diameter wastewater force main from the southerly extension of Option 1 at U.S. # 1, southerly to a point approximately at the intersection of US # 1 and International Golf Parkway.

WATER AND WASTEWATER UTILITY SERVICES AGREEMENT

BETWEEN JEA AND ST. JOHNS COUNTY

EXHIBIT "B" [continued]

Option 3:

The extension of the water and wastewater facilities from the Duval County/St. Johns County line, southerly along the US # 1 rights-of-ways, to a point approximately at the intersection of International Golf Parkway and US # 1. The improvements will include approximately 8 miles of 16-inch diameter PVC force main, 3.5 miles of 20-inch diameter PVC water main and 4.5 miles of 16-inch diameter PVC water main in U.S. # 1 right-of-way. Project will include approximately one third mile of both 12-inch diameter PVC force main and 16-inch diameter PVC water main in the easement serving Nease High School portion of Phase I area properties. Additional extensions of approximately two thirds of a mile with both 12-inch diameter PVC force main and 16-inch PVC water main in the easement serving Walden Chase portion of Phase I area properties will also be included.

The project will also include upsizing approximately three miles of 12-inch force main to 16-inch diameter force main along US # 1 between the intersection of Old St. Augustine Road and the Duval County/St. Johns County line.

A 1,000,000-gallon water reservoir with high-service pumps, a standby generator and a re-chlorination facility to match reservoir will be installed near the southerly extension of Phase I project. A master wastewater pump facility adequate to handle sewage from the Phase I and the Phase II areas will also be included in the scope of the project.

Exhibit C - Water and Wastewater Utility Services Agreement

ID	Task Name	Duration	Start	Finish	Apr '99	May '99	Jun '99	Jul '99	Aug '99	Sep '99	Oct '99	Nov '99	Dec '99
					Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Option I - Design/Permitting Bayard to CR210	58 days	Thu 4/1/99	Mon 6/21/99									
2	Option I - Construction	70 days	Mon 6/28/99	Fri 10/1/99									
3	Option II - Design/Permitting CR 210 to Intl. Golf P'way	71 days	Mon 4/5/99	Mon 7/12/99									
4	Option II -Construction	124 days	Tue 7/13/99	Fri 12/31/99									
5	Option III -Design/Permit	70 days	Thu 4/1/99	Wed 7/7/99									
6	Option III - Construction	145 days	Mon 6/14/99	Fri 12/31/99									

represents substantial completion.

Task



Rolled Up Task



External Tasks



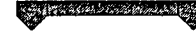
Progress



Rolled Up Milestone



Project Summary



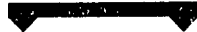
Milestone



Rolled Up Progress



Summary



Split



Project Schedule

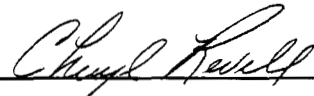
CERTIFICATION

I, CHERYL REVELL, Staff Support Assistant to the JEA Board, do hereby certify that the attached is a true and exact copy of the action taken by the Jacksonville Electric Authority at a regular meeting assembled on Tuesday, April 20, 1999, pertaining to:

COOPERATIVE AGREEMENT WITH ST. JOHNS COUNTY UTILITIES

WITNESS my hand and Official Seal of the JEA this 20rd day of April, 1999.

(SEAL)



Cheryl Revell

Staff Support Assistant

DRAFT 4/13/99

AGREEMENT

THIS AGREEMENT between Florida First Coast Development Corporation, a Florida corporation ("First Coast"), Walden Chase Developers, Ltd., a Florida limited partnership ("Walden Chase"), and St. Johns County, a political subdivision of the State of Florida (the "County"), is entered into and effective as of April 13, 1999 (the "Effective Date").

In consideration of the mutual promises and representations contained in this instrument and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. The County shall have the exclusive right and obligation to provide water and sewer service to the CR210 PUD through build-out of the project as it is described in PUD Ordinance No. 98-44. The County intends to enter into an agreement with JEA to initiate service by participating with the JEA in a wholesale or joint venture agreement.
2. Water and wastewater treatment will be provided to the CR210 PUD by the County using water and sewer service provided to the County by JEA. The JEA will run the necessary transmission lines from an existing location in Duval County to the point of connections in the vicinity of Allen Nease High School.
3. All compensation due to JEA for its initial capital expenditures and subsequent treatment services will be handled by a direct agreement between JEA and the County. That agreement will not involve Walden Chase.
4. Walden Chase and its successors and assigns will be subject to the unit connection fees, rates, charges and policies of St. Johns County as established from time to time by the St. Johns County Utility Ordinance (Ordinance 97-62) and/or its successor ordinances.
5. Walden Chase will not be required to bear any portion of the direct cost of any master lift station or any real property associated with any master lift station located beyond the boundaries of the CR210 PUD. Walden Chase and its successors and assigns shall contribute the lesser of \$40,000.00 or the purchase price for two acres to accommodate a water reservoir site.
6. The County and JEA will immediately commence design of the improvements necessary for the water and sewer service to the point of connection to enable service of Allen Nease High School and the CR210 PUD. The County or JEA will make all reasonable efforts to have the physical ability to provide service to the CR210 PUD at the point of connection near Allen Nease High School by October 1, 1999. To the extent that this date is not met, the County will not be responsible for monetary damages for any delay in completion of the construction of the facilities.

7. Walden Chase understands that the County's right to actually connect the CR210 PUD to its system is subject to the favorable resolution of the Public Service Commission ("PSC") hearing process initiated by United Water of Florida, Inc. for expansion of its service area. In the event the County is not granted the right to serve the CR210 PUD after the exhaustion of all applicable appeals, then this Agreement shall cease.

8. The County and JEA shall, subject to review of engineering plans, execute the necessary FDEP permit applications to acknowledge application of treatment capacity to the CR210 PUD to accommodate its development and allow construction of its on-site facilities.

9. The County will be responsible for construction of approximately 3200 feet of new eight or ten inch sewer force main and 3200 feet of new sixteen inch water main from the CR210 PUD along the Jacksonville Beach Electric Transmission Utility Easement to the proposed master lift station and point of connection with the County water system. Walden Chase shall obtain the appropriate encroachment agreement from Jacksonville Beach for use by the County of the Jacksonville Beach Electric Transmission Utility Easement. The size of the sewer force main shall be determined by the County in its final engineering plan review. All engineering, permitting and design for the sewer force main and the water force main construction herein described shall be performed, done, and obtained by Walden Chase subject to prior County review and approval. Walden Chase and its successors and assigns will be responsible for all necessary easements within the CR210 PUD.

10. The County will make a good faith effort to enter into an agreement with JEA necessary and convenient for the County to perform its duties under this Agreement and necessary to have JEA perform the duties contemplated of it herein.

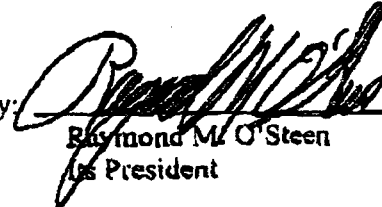
11. Notwithstanding any of the other provisions in this Agreement, the County shall have no duties or obligations under this Agreement, other than as set forth in paragraph # 10 above, until and unless the agreement between JEA and the County that is necessary or convenient to the exercise of the County's duties hereunder has been executed and delivered among JEA and the County on or prior to April 30, 1999.

12. The duty of the County to perform its obligations under this Agreement is contingent upon the performance by JEA of its duties under the above described County agreement with JEA and shall be tolled by reason of force majeure.

13. Immediately upon execution of this Agreement, First Coast will provide written notification to United Water Florida, Inc. that it has withdrawn its application for service. First Coast and Walden Chase shall cooperate with the County and JEA in connection with the Public Service Commission hearing process to support the County's efforts to maintain its service area until and unless the Public Service Commission rules otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

FLORIDA FIRST COAST DEVELOPMENT CORPORATION, a Florida Corporation

By: 
Raymond M. O'Steen
Its President

(CORPORATE SEAL)


WALDEN CHASE DEVELOPERS, LTD., a Florida limited partnership

By: FLORIDA FIRST COAST DEVELOPMENT CORPORATION, a Florida corporation, its managing general partner

By: 
Raymond M. O'Steen
Its President

(CORPORATE SEAL)

ST. JOHNS COUNTY

By: 
Ben W. Adams, Jr.,
Its County Administrator

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application by United
Water Florida, Inc. for an
Extension of Service Area in
St. Johns County, Florida.

DOCKET NO. 981637-WS

CERTIFICATE OF SERVICE

I HEREBY certify that a true and correct copy of the foregoing Direct Testimony of William G. Young on Behalf of St. Johns County, Florida has been provided by United States Mail or Hand Delivery (*) to the persons listed below on this 22 day of April, 1999:

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