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ROBERT M. C. ROSE
OF COUNSEL

March 20, 2000
VIA HAND DELIVERY

Richard Redemann, P.E.
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

Re: Lake Utility Company; PSC Docket No. 000041-WS
Application for Extension of Service Territory
Our File No. 26048.04

Dear Richard:

I am in receipt of the Florida Department of Community Affairs' letter commenting on the above-referenced Application of my client, Lake Utility Company, to amend its potable water and sanitary sewer service territory in Lake County, Florida. While the Departments' letter states that they express no objections to the Application, they do note that the City of Leesburg "does have some concerns." Because several of the premises contained within the DCA staff memorandum, as well as the conclusions are inaccurate, I believe that the letter and the memorandum require a response from us. I have outlined several points below that I think are very pertinent to keep in mind in reviewing the Application and DCA's response to it, as well as those elicited by the DCA from the City of Leesburg:

- Both the DCA and the City of Leesburg apparently have reached a conclusion that "Lake Utility Company currently has adequate capacity to provide potable water to the area, but an expansion to its central wastewater plant will be required to provide service to the area proposed." This conclusion, that apparently forms the basis for the City of Leesburg's concern, is inaccurate. As clearly stated within our Application, the Utility's present wastewater flows are less than 1/3 of its current rated and permitted wastewater plant capacity. Therefore, as stated clearly in the original Application, there is no expansion of the currently operated sewage treatment plant required to serve both the existing and proposed areas at build out.
- The Plantation at Leesburg DRI, which this new territory will become a part of, will not increase its total units already approved for development under this Application. It is the intent of the Utility's related party developer to simply decrease the density of its development with the addition of this 206 acre parcel such that they still construct the same number of total units as would have already been approved for

AFA	_____
APP	_____
CAF	_____
CMU	_____
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EAG	_____
LEG	_____
MAS	_____
OPC	_____
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SEC	_____
WAW	_____
OTH	_____

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Richard Redemann, P.E.

March 20, 2000

Page 2

construction under the existing DRI for the Plantation at Leesburg. Therefore, the Utility's proposed buildout as far as numbers of customers, ERCs and flows, will not change under the proposed Extension Application. Therefore, to some extent, this misunderstanding by the City of Leesburg and by the DCA is understandable, since the developer had not yet filed for development approval for the extension area. However, from a Utility standpoint, the DCA and the City of Leesburg's assumptions are inaccurate.

3. The City of Leesburg's proposed treatment facility mentioned in the DCA memorandum will only be a secondary treatment facility, which will not provide a sufficient level of treatment to allow utilization of the treated effluent for reuse as contemplated in the Plantation at Leesburg Development Order. Therefore, not only is it less environmentally sound than the treatment plant already operated at far less than full capacity by Lake Utility Company, but it cannot supply needed highly treated effluent to the golf courses operated by the related party developer, even when completed. In addition, the cost of such effluent service, even if available, would likely be higher because of the costs inherent in transporting that effluent from the City's more distant treatment facility.

In conclusion, not only would service from the City's plant be less environmentally sound, it would also diminish the ability of Lake Utility Company to implement reuse, and substantially reduce the ability to fully utilize the existing Lake Utility Company currently permitted and operating wastewater facilities.

4. To the extent the City of Leesburg has an objection to the Application of Lake Utility Company, their opportunity under the law to object to that Application has long since passed. They were specifically noticed as required by Commission Rules, and the proof of that direct notification by Certified Mail has previously been provided to the Commission, (a copy of the Return Receipt related to the City is attached hereto for your ready reference). That noticing was completed on January 18, 2000 and as such, any objection by the City of Leesburg was due before the end of February. No such objection or even comments were filed by them.
5. While the DCA has ultimately determined that they have no "objection" to the Extension of Service Territory proposed by Lake Utility, I am very concerned that the DCA would ever "object" to an Application by a Utility regulated by the Florida Public Service Commission. It is my understanding that the Memorandum of Understanding (MOI) entered into several years ago between the DCA and the Public Service Commission, was intended to allow the DCA to offer comment concerning Applications for Extension related to territorial matters filed with the PSC. That MOI does not confer upon the DCA a right to "object" to a Utility's Extension Application, nor could it under the Statute. The DCA has no such power.

In addition, there is already in place, as noted above, a noticing requirement in order to obtain the comments of both the County Government and City Governments surrounding a regulated Utility's proposed extension area. I do not believe it is the

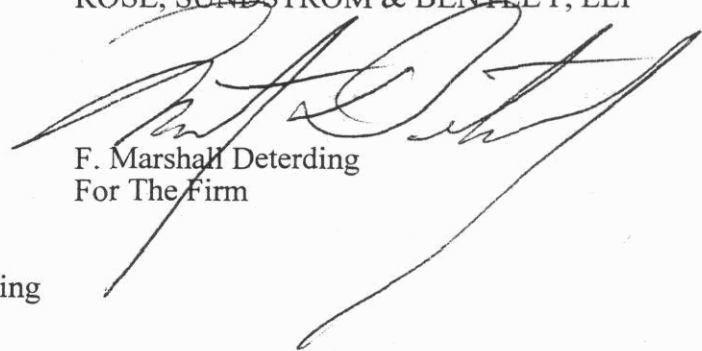
Richard Redemann, P.E.
March 20, 2000
Page 3

place of the DCA to go back to those entities and to solicit additional comments or concerns on top of those already solicited under the noticing requirements contained within the Commission's Rules and Statutes. I believe such action by the DCA is above and beyond the requirements of the MOI between the two agencies, and is at the very least, redundant, if not indicative of some more troubling bias.

I trust that with the DCA's contention that they have no "objection" to the granting of the Application of Lake Utility Company, the Commission can now move forward to finalize that case as quickly as possible so the Utility can provide for service in the area as needed. If you should have any further questions in this regard or have any further concerns with the DCA's March 17, 2000 letter, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tmg
Enclosure
cc: Division of Records and Reporting
Jason Fudge, Esq.
Mr. Earl Thiele
lake\3redemann.ltr

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- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

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Consult postmaster for fee.

3. Article Addressed to:

Clerk, Board of County Commissioners, Lake Co.
PO Box 7800
Tavares, FL 32778-7800

4a. Article Number
2108 396 975

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
1-8-00

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

PS Form 3811, December 1994 102595-97-8-0179 Domestic Return Receipt

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I also wish to receive the following services (for an extra fee):

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3. Article Addressed to:

Mayor, City of Leesburg
PO Box 490630
Leesburg, FL 32749-0630
W Byrd

4a. Article Number
2108 396 983

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
1-18-00

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

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STATE OF FLORIDA
DEPARTMENT OF COMMUNITY AFFAIRS

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STEVEN M. SEIBERT
Secretary

March 16, 2000

Ms. Billie Messer
Florida Public Service Commission
Division of Water And Wastewater
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Public Service Commission Utilities Expansion Application
Lake Utility Company, Lake Co.; PSC Docket No. 00041-WS

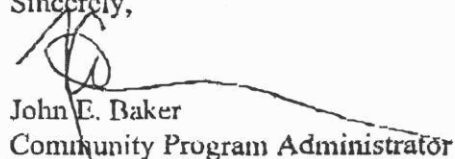
Dear Ms. Messer:

The Department of Community Affairs has completed its review of the Lake Utility Company's application to amend its current potable water and sanitary service territory in Lake County, Florida, as mentioned in the above referenced application. A copy of staff's review of the application is attached.

The Department has no objections to the application. However, the City of Leesburg does have some concerns with the application. These concerns are mentioned in the attached memorandum.

If you have any questions regarding our comments, please contact me at (850) 487-4545.

Sincerely,


John E. Baker
Community Program Administrator

cc: Quen Wilson, Director, Planning and Zoning, City of Leesburg
Sharon Farrell, Director, Lake County Planning and Development Department

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Internet address: <http://www.dca.state.fl.us>

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Marathon, Florida 33050-2227



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MAR 16 2000

Florida Public Service Commission
Division of Water and Wastewater

STATE OF FLORIDA

DEPARTMENT OF COMMUNITY AFFAIRS

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Secretary

MEMORANDUM

To: Charles Gauthier, Bureau Chief

Through: Mike McDaniel, Growth Management Administrator

John E. Baker, Community Program Administrator 3-14
MDM

From: Gerald Goosby, Planning and Evaluation Specialist

Date: March 14, 2000

Subject: Public Service Commission Application for an Amendment of Water And
Wastewater Certificates, Lake Utility Company, Lake Co.; PSC Docket No.
00041-WS

Comment due to PSC

March 17, 2000

Summary

Lake Utility Company has applied to the Public Service Commission for an Amendment of its certificate to provide water and wastewater service in Lake County, Florida. The expansion area is approximately 206 acres and could be characterized as an "infill area". Staff has no objections to the proposed amendment.

Description of Proposed Expansion

Township 20 South, Range 24 East

Section 27: That part of S 1/2 of SE 1/4 lying N of the Florida Turnpike.

Section 34: That part of NE 1/4 of NE 1/4 lying N of the Florida Turnpike.
Not including that part of the Florida Turnpike adjacent to subject property.
All property located within Lake County, Florida.
A total of ± 206.5 acres.

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Phone: 850.488.8466/Suncom 278.8466 FAX: 850.921.0781/Suncom 291.0781
Internet address: <http://www.dca.state.fl.us>

Need For Service

The proposed additional territory is a 206 acre parcel recently acquired by a Lake Utility's related developer and is planned to be developed soon. Service will be needed in the new area approximately one year from the date of this application, based on the development plans of the new landowner.

The water and wastewater service territory amendment being proposed by this application will service low density housing consisting of single family homes with potable water and central wastewater services. At maximum density under current regulations, 618 single family homes will be added to the system as a result of the extension. Lake Utility currently has adequate capacity to provide potable water to the area, but an expansion to its central wastewater plant will be required to provide service to the area proposed.

Consistency with County's Comprehensive Plan

The proposed expansion area is located east of the Plantation at Leesburg DRI and north of the Florida Turnpike. The proposed expansion area is designated at 1du/5ac (Rural) and 3 du/ac (Suburban). An industrial site is located to the west of the expansion site and is occupied by two trucking companies.

The area as a whole is currently designated as suburban/rural. If the site meets the timeliness criteria of the Lake County Suburban land use category, the plans for extending water and sewer in this area is logical. From our discussions with Lake County planners, we understand the future development of the expansion site will be incorporated into the Plantation at Leesburg DRI.

City of Leesburg Concerns

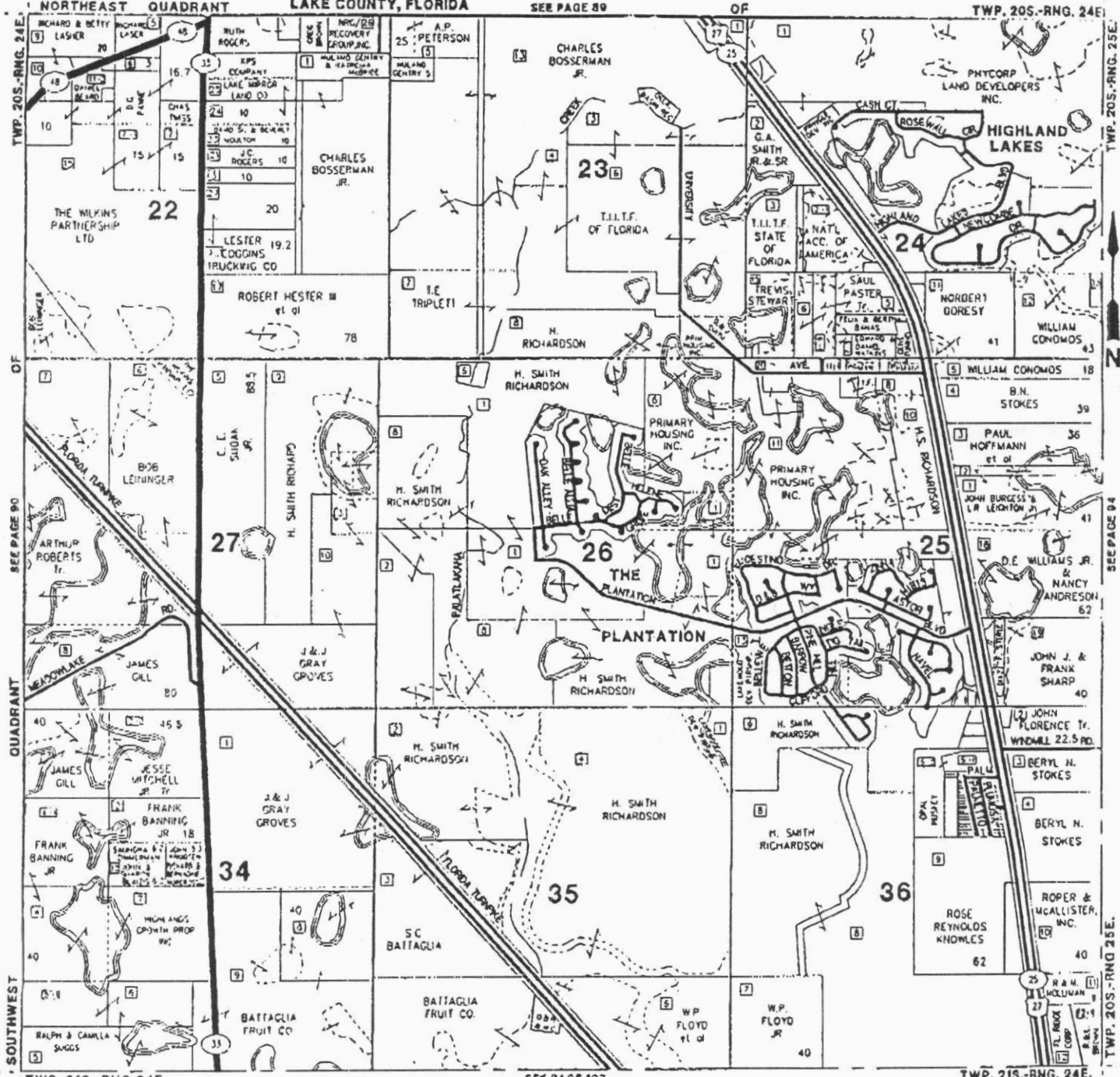
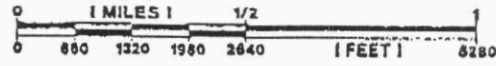
The City of Leesburg has voiced its concerns over the application to amend the Lake Utility Company service territory. The City has currently in the works, the construction of a wastewater facility that is in close proximity to the expansion area proposed by Lake Utility Company. The City feels that there might not be a need for Lake Utility to expand into the proposed area when the City could easily provide wastewater service when the new plant is completed. The City of Leesburg new wastewater plant will be completed by early summer this year.

Conclusion and Recommendation

The proposed amendment to the service territory of the Lake Utility Company will provide water and sanitary sewer and facilities and services to future developments in the proposed expansion territory. The proposed expansion area, in some manner, could be regarded as 'infill' development since it will be sandwiched between an existing DRI and a developed industrial site. Staff does not recommend any objections to the application.

TWP. 20S.-RNG. 24E.

SOUTHEAST QUADRANT
LAKE COUNTY, FLORIDA



TWP. 20S.-RNG. 24E. SEE PAGE 80 OF TWP. 20S.-RNG. 24E. SEE PAGE 94 SEE PAGE 103 TWP. 21S.-RNG. 24E.

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