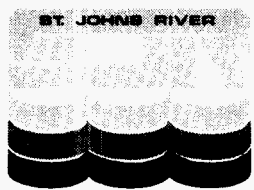


DKT 990243

ORIGINAL

Henry Dean, Executive Director
John R. Wehle, Assistant Executive Director



**WATER
MANAGEMENT
DISTRICT**

POST OFFICE BOX 1429 PALATKA, FLORIDA 32178-1429
TELEPHONE 904-329-4500 1-800-451-7106 SUNCOM 904-860-4500
TDD 904-329-4450 TDD SUNCOM 860-4450
FAX (Executive) 329-4125 (Legal) 329-4485 (Permitting) 329-4315 (Administration/Finance) 329-4508

SERVICE CENTERS
618 E. South Street 7775 Baymeadows Way PERMITTING: OPERATIONS:
Orlando, Florida 32801 Suite 102 305 East Drive 2133 N. Wickham Road
407-897-4300 Jacksonville, Florida 32256 Melbourne, Florida 32904 Melbourne, Florida 32935-9109
1-877-228-1658 904-730-6270 407-984-4940 407-752-3100
FAX 407-897-4354 1-800-852-1563 1-800-295-3264 TDD 407-752-3102
TDD 407-897-5960 FAX 904-730-6267 FAX 407-722-5357
TDD 904-448-7900 TDD 407-722-5368

RECEIVED

JUN 12 2000

Division of Policy Analysis
and Intergovernmental Liaison

June 5, 2000

D. Neil Bethea
Public Utilities Supervisor
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Funding of water conservation measures at the Water Oaks Development, Marion County

Dear Mr. Bethea:

I apologize again for not being able to personally attend the public hearing regarding Water Oaks water utility. Since the St. Johns River Water Management District (District) strongly supports the Florida Public Service Commission (FPSC) staff's recommendation to authorize rates, and a water conservation rate structure, that will encourage and fund beneficial water conservation measures, I request you read the following statement into the record at the hearing to show our support.

In setting the water rates which the Water Oaks water utility may charge to its customers, the District strongly supports the FPSC staff's recommendation to authorize rates, and a water conservation rate structure, that will encourage and fund beneficial water conservation measures. The District promotes water conservation for the purpose of sustaining and extending the usefulness of existing water supply resources.

This goal is supported by conservation requirements required in the District's consumptive use permitting rules and by providing technical and financial assistance to permittees to help them achieve efficient water use and avoidance of water losses. However, even with assistance from the District, water supply utilities may face considerable expense in implementing conservation measures.

Publicly owned utilities may freely choose to raise rates to pass the cost of water conservation on to customers who are responsible for excess usage. However, investor owned utilities, such as Water Oaks water utility, have that option only if the FPSC allows it. In the event that the FPSC does not allow Water Oaks Utility to recover the costs of implementing conservation practices, it may not be able to afford to implement them without creating financial losses for its investors. By failing to allow a

APP _____
CAF _____
CMP _____
COM _____
CTR _____
EOR _____
LEG _____
OPC _____
PAI _____
RGO _____
SEC _____
SER _____
OTH _____

DOCUMENT NUMBER - DATE

07246 JUN 13 2000

FPSC-RECORDS/REPORTING

William Kerr, CHAIRMAN MELBOURNE BEACH Ometrias D. Long, VICE CHAIRMAN APOPKA Jeff K. Jennings, SECRETARY MAITLAND Duane Ottenstroer, TREASURER SWITZERLAND

Dan Roach FERNANDINA BEACH William M. Segal MAITLAND Otis Mason ST. AUGUSTINE Clay Albright EAST LAKE WEIR Reid Hughes DAYTONA BEACH

utility to recover the cost of implementing water conservation practices, we often miss out on the opportunity to implement very beneficial water conservation measures and achieve significant water savings. Therefore, it is in the public interest to allow the utility to increase its rates and to fund, from the sale of water, implementation of water conservation.

Water Oaks, a manufactured home, retirement development in Marion County, is an excellent example of a utility in need of water conservation measures as the development historically has a very high per capita water use. FSPC authorization of water rates and a water conservation rate structure that will allow for implementation of water conservation measures at Water Oaks is in the best interest of water utility customers since conserving Florida's water resources assures that higher quality water will be available to them for a longer time at a relatively lower price. If existing water sources are not used wisely and efficiently, alternative and more costly sources will have to be developed sooner.

In closing, I would like to commend the staff of the FPSC in their efforts to allow Water Oaks water utility to fund, from the sale of water, implementation of valuable water conservation measures. Without such efforts, we would not be able to conserve and extend Florida's valuable water resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Dwight T. Jenkins", with a stylized flourish at the end.

Dwight Jenkins, Director
Division of Water Use Regulation
Department of Resource Management

C: James Hollingshead
Don Brandes
Hal Wilkening