

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: January 12, 2001
TO: Division of Regulatory Oversight (Brady)
FROM: Division of Regulatory Oversight (Vandiver) *OV*
RE: Docket No. 001122-WS; Spruce Creek South Utilities, Inc.
Audit Report Issued January 9, 2001; Revised Page 4
Audit Control No. 00-279-3-1

Attached is Revised Page 4 of the audit report issued January 9, 2001.

DNV/sp

Attachment

cc: Division of Regulatory Oversight (Hoppe/Harvey/File Folder)
Orlando District Office (Winston/Small)
Division of Records and Reporting
✓ Division of Legal Services

Jay A. Thompson
Spruce Creek South Utilities, Inc.
8501 S. E. 140th Lane Road
Summerfield, FL 34491-7944

Rutledge Law Firm
Kenneth Hoffman
P. O. Box 551
Tallahassee, FL 32302

DOCUMENT NUMBER-DATE

00701 JAN 17 2001

FPSC-RECORDS/REPORTING

Exception No. 1, continued

The audit staff has determined a value of \$1,790 for water rate base transfer purposes for the two sites discussed above. $\{(\$787,500/210) \times 0.0574 \text{ of an acre} = \$215\}$ and $\{(\$787,500/210) \times 0.420 \text{ of an acre} = \$1,575\}$ equals $\{\$215 + \$1,575 = \$1,790\}$

Spruce Creek South - Wastewater Plant Site

On June 26, 1990, Thomas C. Bowling executed a Warranty Deed that transferred 104.86 acres to SCDC for \$322,500.

On May 24, 1991, Dominic Marino executed a Warranty Deed that transferred 1.0 acre of land for \$6,600 to SCSU as an additional wastewater treatment facility site.

On June 22, 2000, SCDC executed a Quitclaim Deed that transferred approximately 12 acres to SCSU for the wastewater treatment facility site. This included approximately 0.510 of an acre of the 1.0 acre parcel discussed above.

On June 29, 2000, SCSU executed a Warranty Deed that transferred the 12 acres described above to Florida Water Services Corporation (FWSC) as the wastewater and percolation pond utility plant site. The audit staff has determined a value of \$38,657 for wastewater rate base transfer purposes. Percolation ponds $\{(\$322,500/105) \times 11.49 \text{ acres} = \$35,291\}$, A wastewater plant site $\{\$6,600 \times 0.510 \text{ of an acre} = \$3,366\}$, Total $\{\$35,291 + \$3,366 = \$38,657\}$

Spruce Creek Preserve - Water Plant Site

On January 12, 1996, J&J Morgan Partnership, LTD executed a Warranty Deed that transferred approximately 416 acres to Spruce Creek Golf & County Club (SCGCC) for \$1,664,000. SCGCC subsequently developed the land into what is now the Spruce Creek Preserve Community.

On January 16, 1998, SCGCC assets were purchased by Del Webb's Spruce Creek Communities, Inc. (DWSCC). All real property was transferred by a Warranty Deed from SCGCC to DWSCC which is recorded in Original Records (OR) Book 2453/0119 of the Marion County Clerk of the Court records.

On July 19, 1999, DWSCC executed a Warranty Deed that transferred Tracts A and B of the Spruce Creek Preserve I to SCSU. Tract A contains a lift station, and Tract B contains the water plant site. The water plant site encompasses 1.01 acres.

On June 29, 2000, SCSU executed a Warranty Deed that transferred Tracts A and B of Spruce Creek Preserve I to FWSC. The audit staff has determined a value of \$9,337 for water rate base transfer purposes. $\{(\$1,664,000/416) \times 1.01 \text{ acres} = \$4,040\}$