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December 5, 2002

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VIA UPS OVERNIGHT Director, Division of Commission Clerk & Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399–0850

RE: Florida Water Services Certificate 106 – W

Dear Sir or Madam:

On behalf of the City of Leesburg, Florida, I wish to interpose an objection to the application by Florida Water Services to expand its territory under Certificate No. 106 – W to add territory in Silver Lake Estates, Sections 10 and 15, Township 19 South, Range 25 East, Lake County, Florida.

The City of Leesburg provides potable water service to its residents and to an extended service area outside its municipal boundaries. A map is enclosed showing the location of the nearest City water lines to the proposed Florida Water expansion area. The proposed expansion is in pink, the water lines are in blue, and existing sanitary sewer lines in the area are in green. The City believes it is in a better position to provide service to the proposed expansion than Florida Water, for a number of reasons.

First, Florida Water has demonstrated a lack of ability to provide sufficient water pressure for fire fighting in some of its service areas near the City. This has impeded the ability of property owners to develop their land because they must obtain water from Florida Water Services, but by doing so cannot satisfy the legal requirements for fire flows. The only solution would be for the City to install a costly duplicate water system in the same area for the sole purpose of fire protection. Florida Water has thus shown its inability to provide complete and adequate service to customers in this area.

Furthermore, service from Florida Water would be by way of a comparatively small package plant, under private ownership (or possibly some sort of quasi-public ownership if the pending transfer of the utility comes to pass). If the plant suffers an outage there is a lack of redundancy in their system, whereas the City provides water from a number of large wells and has the capability of restoring service promptly in the event of any outage. The City has personnel on staff and in the immediate area to service broken lines and other problems, whereas Florida Water does not.

Rates are another issue. There have been numerous complaints over the years about rates charged by Florida Water to its customers. There are no such complaints about water service from the City, which charges some of the lowest rates of any municipal provider in the Central Florida area. A rate adjustment is being considered but even with that adjustment the City would still have rates no higher than the average municipal water rate in Central Florida, and its rates have a history of remaining very stable over time, if whereas the Florida Water rates have been comparatively more volatile.

Because the City provides electrical service to the proposed expansion area, residents there will already be receiving a utility bill from the City. If the City provides their water also, that would be reflected on the same bill. Customers may appreciate the ability to pay both water and electrical utility charges to a single provider. The City is also able to serve the area with sewer if desired by the developer. The City has recently completed construction of a new wastewater treatment plant and is in the process of a multi-million dollar of upgrade to the older plant. Included in the new plant and the upgrade to the older plant is the ability to

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produce water suitable for public access re-use which could provide a source of irrigation water to the proposed development that does not draw on potable water resources. Florida Water will not be able to provide this level of service.

Finally, from a philosophical standpoint, it makes little sense to permit the expansion of small, package type utility systems into areas which could be served as easily by a major provider of service like the City of Leesburg. Such an expansion would promote the continued inefficiency of the smaller system and perpetuate the service and rate problems long experienced by Florida Water customers in the Leesburg area. The City of Leesburg is ready, willing and able to provide the service to this area and would be a far better choice for the affected residents. For these reasons, the City respectfully requests that the proposed expansion of the Florida Water service area be denied.

So that I may keep the City advised, please place me on the mailing list for any notices of further hearings or other events pertaining to this application. Thank you for your consideration.

Yours truly,

FRED A. MORRISON

FAM:fm

cc: Mr. Ronald W. Stock, City Manager (via hand delivery) Ms. Susanna Littell, Director of Environmental Services

> Florida Water Services Corporation Attention: Carolyn Kowalsky, Esquire Post Office Box 609520 Orlando, Florida 32860–9520 (via U.S. Mail)

FLORIDA WATER & AQUASOURCE PROPOSED UTILITY EXPANSION AREAS





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