

ORIGINAL

MEMORANDUM

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COMMISSION
CLERK

TO : OFFICE OF THE GENERAL COUNSEL (FLEMING)
DIVISION OF COMMISSION CLERK & ADMINISTRATIVE SERVICES

FROM: DIVISION OF ECONOMIC REGULATION (REDEMANN) *Rpk P N JDS*

RE : DOCKET NO. 021137-WU - APPLICATION FOR AMENDMENT OF
CERTIFICATE NO. 106-W TO ADD TERRITORY IN LAKE COUNTY BY
FLORIDA WATER SERVICES CORPORATION.

Florida Water Services Corporation (Florida Water, or utility) is a Class A water and wastewater utility that provides water service to approximately 1,121 customers in Silver Lake Estates and 378 customers in Western Shores, Lake County. In its 2002 Annual Report, the utility reported operating revenue for Silver Lakes/Western Shores of \$467,152 and net operating income of \$137,979. The utility's water system is located in the St. Johns River Water Management District which has declared its entire district a water use caution area.

On November 8, 2002, Florida Water filed an application for amendment of Certificate No. 106-W to add territory in Lake County. The application for amendment to this certificate is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules. The application contains a check in the amount of \$100, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has provided a copies of warranty deeds which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(3) (e),(f) and (i), Florida Administrative Code. A description of the territory is appended to this recommendation as Attachment A. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. One objection was filed on December 5, 2002, by the City of Leesburg. By letter dated October 9, 2003, the City of Leesburg withdrew its objection. The local planning agency was provided notice of the application and did not file a protest to the amendment. The Department of Community Affairs has identified no growth management concerns with the proposed expansion of the utility. The utility states that the provision of service will be consistent with the utility section of the local comprehensive plan. The utility plans to serve an additional 30 single-family homes.

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The interconnected Silver Lake/Western Shores water system has a design capacity of 2,632,000 gallon per day (gpd). The high service pumps located at the Silver Lakes plant can deliver a peak instantaneous demand of 4,420 gallons per minute. For the Silver Lake Estates system, the highest maximum daily demand was 1,734,000 gpd on 5/15/03. For the Western Shores system, the highest maximum daily demand was 88,000 gallons per day on 5/10/03. The estimated average water demand for the proposed customers is about 10,500 gpd with a maximum demand of 26,250 gpd. The existing water system has sufficient capacity to handle the immediate demands for the existing service territory and the proposed areas in the near future. Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation issued for the water system. Florida Water has a staff of engineers, scientists, accountants, and other professionals based in its Orlando headquarters, as well as licensed operators that operate and maintain facilities located throughout the state. Therefore, staff believes the utility has demonstrated the technical ability to provide quality service to these customers.

With respect to financial ability, at year-end 2002, Florida Water's capital structure consisted of more than \$232 million in total capital, including more than \$110 million in long-term debt and more than \$122 million in equity capital. The developer will design and construction the water distribution system and donate the lines to Florida Water. The amendment should have no immediate impact of the monthly rates and charges. Consequently, staff believes the utility has demonstrated the financial ability to provide quality service to these customers.

Staff recommends the rates and charges currently approved by the Commission be applied to customers in the new service territory. The utility has filed revised tariff sheets incorporating the additional territory into its tariff and returned its certificate for entry reflecting the additional territory.

Based on the above information, staff believes it is in the public interest to grant the application of Florida Water for amendment of Water Certificate No. 106-W for the territory described in Attachment A. An administrative order should be issued granting the application within 30 days.

If you have any questions, please contact me immediately.

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DATE: October 22, 2003

Attachment A

FLORIDA WATER SERVICES CORPORATION

Lake County

Silver Lake/Western Shores

Water Service Area - Silver Lake Crest

Township 19 South, Range 25 East, Lake County, Florida

Sections 10 and 15

Commence at the Southeast corner of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 10, Township 19 South, Range 25 East, Lake County, Florida, and proceed S $89^{\circ}40'51''$ W a distance of 400.00 feet to the Point of Beginning; thence proceed S $89^{\circ}57'03''$ W a distance of 304.29 feet; thence proceed S $00^{\circ}19'46''$ W a distance of 274.67 feet; thence proceed S $36^{\circ}34'29''$ W a distance of 65.54 feet; thence proceed N $45^{\circ}50'35''$ W a distance of 9.80 feet; thence proceed N $65^{\circ}55'01''$ W a distance of 649.91 feet; thence proceed N $00^{\circ}02'52''$ E a distance of 64.30 feet; thence proceed N $00^{\circ}00'52''$ E a distance of 659.90 feet; thence proceed N $89^{\circ}52'37''$ E a distance of 460.66 feet; thence proceed N $11^{\circ}18'03''$ E a distance of 407.81 feet; thence proceed N $89^{\circ}49'43''$ E a distance of 131.67 feet; thence proceed N $00^{\circ}35'06''$ E a distance of 258.97 feet; thence proceed N $88^{\circ}45'27''$ E a distance of 296.19 feet; thence proceed S $01^{\circ}07'11''$ W a distance of 1,325.13 feet to the Point of Beginning.