

ORIGINAL

**RUTLEDGE, ECENIA, PURNELL & HOFFMAN**

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW

STEPHEN A. ECENIA  
RICHARD M. ELLIS  
KENNETH A. HOFFMAN  
LORENA A. HOLLEY  
MICHAEL G. MAIDA  
MARTIN P. McDONNELL  
J. STEPHEN MENTON

POST OFFICE BOX 551, 32302-0551  
215 SOUTH MONROE STREET, SUITE 420  
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788  
TELECOPIER (850) 681-6515

R. DAVID PRESCOTT  
HAROLD F. X. PURNELL  
MARSHA E. RULE  
GARY R. RUTLEDGE  
MAGGIE M. SCHULTZ  
GOVERNMENTAL CONSULTANTS  
MARGARET A. MENDUNI  
M. LANE STEPHENS

June 2, 2005

**VIA HAND DELIVERY**

Ms. Blanca Bayo, Director  
Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850


RE: Docket No. 040358-SU - Application for Certificate to Provide Wastewater Service  
in Bay County by Crooked Creek Utility Company

Dear Ms. Bayo:

Through previous letters filed in this docket, Crooked Creek Utility Company ("Crooked Creek) requested and was granted an extension of time to comply with two requirements imposed by Order No. PSC-04-0983-PAA-SU, issued by the Commission in the above-referenced docket. The basis for the requested extension was Bay County's approval of the Utility System Acquisition Agreement between it and the St. Joe Company, as well as the fact that the Commission had acknowledged the resolution of Bay County rescinding the Commission's jurisdiction over privately-owned water and wastewater utilities located in Bay County. The understanding was that upon Crooked Creek's filing a copy of the executed Agreement with the Commission, this docket would be administratively closed and Crooked Creek's certificate would be canceled, thereby making the filing requirements imposed upon Crooked Creek unnecessary.

The Agreement has now been fully executed. Enclosed with this letter is a copy of the signed and executed Utility System Acquisition Agreement between the St. Joe Company and Bay County. In view of this filing, this docket should be closed and Crooked Creek's certificate canceled.

- CMP
- DOM
- CTR
- ECR
- GCL
- OPC
- MMS
- RCA
- SCR
- SEC
- OTH


RECEIVED & FILED  
  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
05359 JUN -2 05  
FPSC-COMMISSION CLERK

Ms. Blanca Bayo  
June 2, 2005  
Page 2

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance with this filing.

Sincerely,



J. Stephen Menton

Enclosures

cc: Katherine Fleming, Esq.  
Bryan Duke, Esq.



OFFICE OF THE COUNTY ATTORNEYS

BOARD OF COUNTY COMMISSIONERS

May 26, 2005

BURKE, BLUE, HUTCHISON & WALTERS, P.A.

Bryan Duke, Esq.  
Senior Counsel  
The St. Joe Company  
1400 Oven Park Drive  
Tallahassee, FL 32308

RE: Utility System Acquisition Agreement

Dear Mr. Duke::

Enclosed is an original version of the Utility System Acquisition Agreement between The St. Joe Company and Bay County that has been signed by Chairman Gainer and attested to by the Clerk's office.

Thanks for your cooperation and help. Please call if you should have any questions.

Very truly yours,

BURKE, BLUE, HUTCHISON & WALTERS, P.A.

William C. Henry, Esq.

WCH/dc

Enclosure

cc: Tom Crandall, Utility Services Director  
Michael S. Burke, Esq.

JES W. BURKE  
ROB BLUE, JR.  
EDWARD A. HUTCHISON, JR.  
ELIZABETH J. WALTERS  
DOUGLAS L. SMITH  
MICHAEL S. BURKE  
V. TODD BURKE  
WILLIAM S. HENRY  
DENISE H. ROWAN  
WILLIAM C. HENRY  
JOY MARLER KIMBALL  
MICHAEL T. LAWSON

221 MCKENZIE AVENUE  
POST OFFICE BOX 70  
PANAMA CITY, FLORIDA 32402  
TELEPHONE (850) 769-1414  
TELECOPY (850) 872-9791

COMMISSIONERS:

MIKE NELSON  
DISTRICT I

GEORGE B. GAINER  
DISTRICT II

WILLIAM T. DOZIER  
DISTRICT III

JERRY L. GIRVIN  
DISTRICT IV

MIKE THOMAS  
DISTRICT V

PAMELA D. BRANGACCIO  
COUNTY MANAGER

**UTILITY SYSTEM  
ACQUISITION AGREEMENT**

**THIS UTILITY SYSTEM ACQUISITION AGREEMENT** (the "Agreement") is made and entered into as of the 19<sup>th</sup> day of May, 2005, by and between, **THE ST. JOE COMPANY** (hereinafter "St. Joe") and **BAY COUNTY BOARD OF COUNTY COMMISSIONERS** ("Bay County").

**WITNESSETH:**

**WHEREAS**, St. Joe is developing RiverCamps on Crooked Creek in Bay County Florida adjacent to County Road 388 and West Bay (hereinafter "Project"); and

**WHEREAS**, the Development Agreement approved by Bay County on October 15, 2002 for the development of the Project requires St. Joe to provide central sewer and central water service to the Project; and

**WHEREAS**, central sewer service is the preferred method of handling sanitary sewer and central water service is the preferred method of providing potable water service; and

**WHEREAS**, St. Joe intends to construct a sewer package plant, percolation ponds, collection and distribution lines and other utility facilities to serve the Project; and

**WHEREAS**, St. Joe intends to construct a water plant, consisting of a hydro-pneumatic surge tank facility, a re-chlorination facility, a pump station, a water main access line, and distribution lines and other water utility facilities to serve the Project; and

**WHEREAS**, Bay County would like to acquire and operate the sewer package plant, percolation ponds, collection and distribution lines and the water plant, hydro-pneumatic surge

tank facility, re-chlorination facility, pump station, water main access lines, distribution lines and any other sewer and water utility facilities as part of its county wide retail utility system.

**NOW, THEREFORE**, in consideration of the foregoing recitals and the benefits to be derived from mutual promises, covenants, representations and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties to this Agreement do undertake, promise and agree for themselves, their permitted successors and assigns as follows:

1. Upon receipt of all required permits, St. Joe shall commence and thereafter complete the construction and installation of a sewer package plant, percolation ponds, collection and distribution lines, and all other associated sewer utility facilities for the Project ("Sewer Facilities"), and a water plant, consisting of a hydro-pneumatic surge tank facility, a re-chlorination facility, a pump station, a water main access line, and distribution lines and other water utility facilities for the Project ("Water Facilities") all as set forth in **Exhibit "A"**. St. Joe is planning on constructing additional sewer plant facilities to accommodate additional development of the Project all as described in **Exhibit "B"** ("Additional Sewer Facilities"). The Additional Sewer Facilities shall be constructed in phases at the discretion of St. Joe based on the phasing of the Project and permitted Equivalent Residential Units ("ERU's") within the Project as approved by Bay County. St. Joe agrees to commence construction of the Additional Sewer Facilities in sufficient time to meet flow commitments and any other requirements of applicable regulatory agencies.

2. St. Joe shall obtain all necessary permits from the Department of Environmental Protection and any other required permits for the construction of the Water Facilities, Sewer Facilities and Additional Sewer Facilities. Bay County shall assist St. Joe in obtaining all necessary permits by executing any document related to the ownership, operation, and maintenance of the Water Facilities, Sewer Facilities and Additional Sewer Facilities, as may be required by the Department of Environmental Protection and/or any other governmental agency. The Water Facilities, Sewer Facilities and Additional Sewer Facilities shall be constructed at the sole cost and expense of St. Joe. The parties understand and agree that upon completion of the Additional Sewer Facilities, the sewer plant will be able to serve approximately four hundred (400) ERU's. The schedule for construction of the Water Facilities and Sewer Facilities is included in **Exhibit "A"** and the schedule for construction of the Additional Sewer Facilities is included in **Exhibit "B"**.

3. Within thirty (30) days after the last of the Water Facilities and Sewer Facilities are complete and operational (the "Closing Date"), St. Joe agrees to convey or cause to be conveyed to Bay County and Bay County agrees to acquire and accept St. Joe's fee simple interest in and to (a) that certain tract of land which will contain the sewer package plant, as depicted on **Exhibit "C-1"** and (b) that certain tract of land which will contact the Water Facilities, as depicted on **Exhibit "C-2"**; together with all appurtenances, hereditaments and improvements located thereon (the "Property"). St. Joe also agrees to convey to Bay County the following easements: (a) a temporary easement over the tract of land upon which the percolation ponds will be constructed, as depicted on **Exhibit "D-1"** ("Pond Easement"), which easement will terminate when Bay County ceases to use the percolation ponds; (b) a perpetual utility easement

over the property legally described in Exhibit "D-2" ("Utility Easement"); (c) an temporary access easement over the property legally described in Exhibit "D-3" ("Sewer Plant Access Easement"), which easement shall terminate upon the County receiving acceptable alternative access to the Property; and (d) a permanent access easement over the property legally described in Exhibit "D-4" ("Water Facility Access Easement") which easement shall provide the County access to the water plant. St. Joe will agree to maintain the Sewer Plant Access Easement such that existing Bay County utility vehicles which need to access the property depicted on Exhibit "C-1" are capable of accessing such property. Bay County agrees that upon receipt of title to the Property, it will operate and maintain the Property, the Pond Easement and all of the Water Facilities and Sewer Facilities in accordance with applicable law. On the Closing Date, Bay County also agrees to convey to St. Joe a temporary access easement over and across the property depicted on Exhibit "C-1" ("Temporary Construction Easement") for the purpose of allowing St. Joe to complete the construction of the Additional Sewer Facilities as provided for in Section 3. St. Joe shall obtain at its sole cost and expense a Survey and Title Commitment for the Property and the Utility Easement and Access Easement and deliver these documents to Bay County within thirty (30) days of the Closing Date. St. Joe shall prepare all documents for the Closing and shall pay all costs of Closing.

4. St. Joe shall construct and complete the Water Facilities, Sewer Facilities and Additional Sewer Facilities in a good and workmanlike manner and in accordance with all applicable governmental laws and regulations, including all technical and operational standards of Bay County.

5. Upon the County's receipt of the Property with respect to the Water Facilities and Sewer Facilities and upon receipt of the Department of Environmental Protection Sewer Completion Certificate with respect to the Additional Sewer Facilities, the County shall own, operate and maintain the Water Facilities, Sewer Facilities and the Additional Sewer Facilities for the benefit of the residents and facilities of the Project to the same standard applied to its ownership, operation and maintenance of other similar type utility facilities which it owns, operates and maintains in Bay County. Provided Bay County maintains reserve capacity for the Project's residents and facilities, it shall have the right to serve customers other than those within St. Joe's development(s) with the Water Facilities, Sewer Facilities and the Additional Sewer Facilities. St. Joe shall immediately following completion of construction of the Additional Sewer Facilities, cause the transfer of ownership of such Additional Sewer Facilities to the County.

6. During construction and prior to the transfer, the County shall have the right to inspect the Water Facilities, Sewer Facilities and the Additional Sewer Facilities to ensure compliance with applicable County technical and operational standards.

7. Upon the application for a residential building permit with respect to any residential lot within the Project, the County shall be entitled to charge the applicant the then prevailing County "sewer connection fees (currently \$1,166.00 per ERU), and the then prevailing County water, "impact fees" (currently \$551.67 per ERU) for that defined area at the time of the collection. The County agrees that, other than the fees authorized by this Agreement, or fees charged to all other County retail customers (turn on and deposit, etc.) it may not charge any other fees to owners within the Project.



then prevailing retail Sewer Connection Fees received from residents of the Project during the prior month to partially reimburse St. Joe for its total dollar capital investment costs for force mains, lift stations (regardless of location) and transmission lines (leading from the Project to the wastewater treatment plant) associated with the Sewer Facilities and Additional Sewer Facilities. St. Joe shall not be entitled to any payment for the cost of collection lines associated with the

with the Sewer Facilities and Additional Sewer Facilities. After the Project has been developed to a maximum of four hundred fifty (450) units and Sewer Connection Fees are no longer collected, no further payments are due to St. Joe.

B. The County will pay St. Joe on a monthly basis twenty five percent (25%) of its then prevailing retail "Water Impact Fees" received from residents of the Project during the prior month to partially reimburse St. Joe for its total dollar capital investment costs for the off-site water main line associated with the Water Facilities and leading from the County's water main

located on County Road 388 to the Project's water plant facility. St. Joe shall not be entitled to any payment for the cost of water distribution lines associated with the Water Facilities which are located within the Project. In addition, the County agrees to pay St. Joe on a monthly basis seventy five percent (75%) of it then prevailing retail Water Impact Fees received from residents of the Project during the prior month to partially reimburse St. Joe for its total dollar capital investment costs for the hydro-pneumatic surge tank facility, the re-chlorination facility, and the pumping station associated with the Water Facilities. After the Project has been developed to a maximum of four hundred fifty (450) units and Water Impact Fees are no longer collected, no further payments are due to St. Joe.

9. Bay County agrees that it shall only charge all residents within the Project its Board approved monthly retail rates for the provision of sewer and potable water services.

10. In accordance with its agreement to operate the Sewer Facilities and Additional Sewer Facilities as set forth above in Section 5, the County agrees to act as the central management entity in accordance with Rule 62-604-400(3), F.A.C., and as such, agrees to operate and maintain all facilities, including the on-lot e-one low pressure components, associated with the Sewer Facilities and Additional Sewer Facilities. St. Joe agrees that the County may charge the residents of the Project, a monthly fee of \$5.00 to be added to each residents monthly retail bill, which the County may hold in an escrow account to be used solely for any post warranty maintenance and repair costs of the Project's on-lot e-one low pressure components. St. Joe also

(8) e-one  
warranty or

account is not sufficient to cover such costs. St. Joe agrees to conduct an e-one low pressure system education program designed for residents of the Project, Bay County employees and RiverCamps' employees with information which will assist in the proper operation of the e-one low pressure system. This program will include St. Joe prepared flyers, which will be provided to the residents of the Project during the design review process and inserted into Bay County's billing notices.

11. Bay County has determined and St. Joe agrees that Bay County will operate the Sewer Facilities at a deficit until sixty (60) Equivalent Residential Units have tapped onto the system and have begun paying monthly sewer charges. To compensate Bay County for these operating deficits, St. Joe has agreed to pay the Bay County Thirty Five Thousand Dollars (\$35,000.00) per year until the sixtieth (60<sup>th</sup>) Equivalent Residential Unit has tapped onto the system. Bay County will invoice St. Joe Eight Thousand Seven Hundred Fifty Dollars (\$8,750.00) on a quarterly basis and St. Joe will pay such sum within 30 days of receiving the invoice. Upon connection and billing of sixty (60) units ("Reimbursement Termination Date"), Bay County will immediately submit the final billing to St. Joe, which final billing will be a pro-rata share of the Eight Thousand Seven Hundred Fifty Dollar (\$8,750.00) quarterly amount based on the number of days in the quarter at which time the sixtieth (60<sup>th</sup>) unit connected to the system. In addition, to the extent that from the date of the acquisition of the Sewer Facilities through the Reimbursement Termination Date, the actual costs incurred by the County in operating the Sewer facilities exceeds the total revenues received by the County for such purposes (inclusive of the quarterly payments by St. Joe as set forth in this Section), then St. Joe agrees to reimburse

the County for its actual shortfall in an amount not to exceed fifteen (15%) of the total payments made by St. Joe in accordance with this Section.

12. In the event either party fails to perform any obligation of this Agreement, after receipt of written notice of such default and a period of ten (10) days to cure such default, either party may seek and pursue any and all remedies allowed by law, specifically including injunctive relief.

13. Except as expressly provided herein, the conveyance of the Property, the Pond Easement, the Utility Easement, the Access Easement, the Temporary Construction Easement, the Water Facilities, the Sewer Facilities and the Additional Sewer Facilities under this Agreement are "AS IS" and there are no representations, covenants, warranties or retention and assumption of liabilities other than those specifically set forth in this Agreement, including but not limited to, any representations, covenants, warranties or retention and assumption of liabilities in respect to environment matters.

14. Bay County shall be responsible for obtaining the transfer to Bay County of any and all operating permits related to the Water Facilities, the Sewer Facilities and the Additional Sewer Facilities. St. Joe agrees to pay any applicable permit transfer fees. St. Joe and Bay County shall cooperate in the preparation of all requisite documents to notify, apply for and seek the transfer of such permits.

15. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time.

Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from any county public health unit.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

17. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, or by courier service, charges prepaid, to the parties at the following addresses:

To St. Joe: St. Joe Timberland Company of Delaware, L.L.C.  
1400 Oven Park Drive  
Tallahassee, FL 32308  
Attention: Kevin Fox  
Fax Number: 850-523-4211  
Phone Number: 850-386-8600

To Bay County: Bay County Utility Services Department  
3410 Transmitter Road  
Panama City, FL 32404  
ATTENTION: Tom Crandall  
Fax Number: 850-872-4805  
Phone Number: 850-872-4785

The parties may, by notice in writing given to the others, designate any future or different addresses to which the subsequent notices, certificates or other communications shall be sent.

transmission or five (5) days after the date mailed.

18. Neither St. Joe nor Bay County shall have the power or authority to assign this Agreement or any of their rights, duties or obligations hereunder to a third party without the express written consent of the other party and this Agreement shall be construed as solely for the benefit of St. Joe, the residents of the Project and Bay County, and their successors by law, and

benefit o

discretion contract

such contract(s) continue

conditions set forth in State operating permits.

19. Except as otherwise provided in this Agreement, no amendment, supplement, modification or waiver of this Agreement shall be binding upon any party hereto unless executed in writing by such party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

20. This Agreement is the entire agreement between the parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the agreements, understandings, negotiations and discussions of the parties, whether oral or written, pertaining to the subject matter hereof, and there are no warranties, representations or other agreements

between the parties in connection with the subject matter hereof, except as specifically set forth herein.

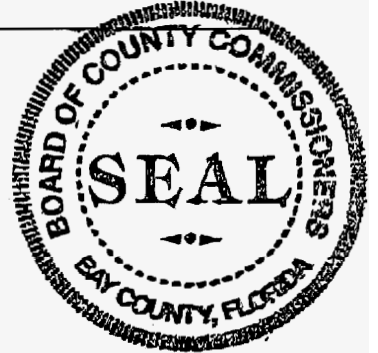
IN WITNESS WHEREOF, The St. Joe Company and Bay County have caused this Agreement to be duly executed and entered into on the date first above written.

THE ST. JOE COMPANY  
By: M. M. Ryan  
Its: SA Vice President

Attest: \_\_\_\_\_

BAY COUNTY  
By: George Gainer  
Its: Chairman

Attest: Harold Bangor  
By: Kaim Rodgers  
Deputy Clerk



Approved as to correctness of form:  
[Signature]  
Burke, Blue, Hutchison & Walters, PA  
Attorneys for Bay County

EXHIBIT "A"

Waste Water Treatment Facility

A shop manufactured steel structure containing the following compartments:

- Surge tank
- Sludge holding tank
- Segmented aeration
- Dual clarifiers
- Chlorine contact chamber
- 2100 gallon effluent tank with pumps, float and panel

An additional tank containing surge, sludge holding, aeration dual clarifiers and chlorine contact chamber.

A waste water master lift station which will contain two pumps.

Collection and distribution lines

Water Booster Plant

A factory assembled quadruplex municipal booster pumping station, including hydro pneumatic surge tank, re-chlorination facility, pumps, valves, piping, pressure tank, chemical feed pumps and tank, electrical controls and modular building.

Water main access line and distribution lines

Construction Schedule

Construction of the Waste Water Treatment Facility and Water Booster Plant are scheduled to be complete by December 31, 2005.



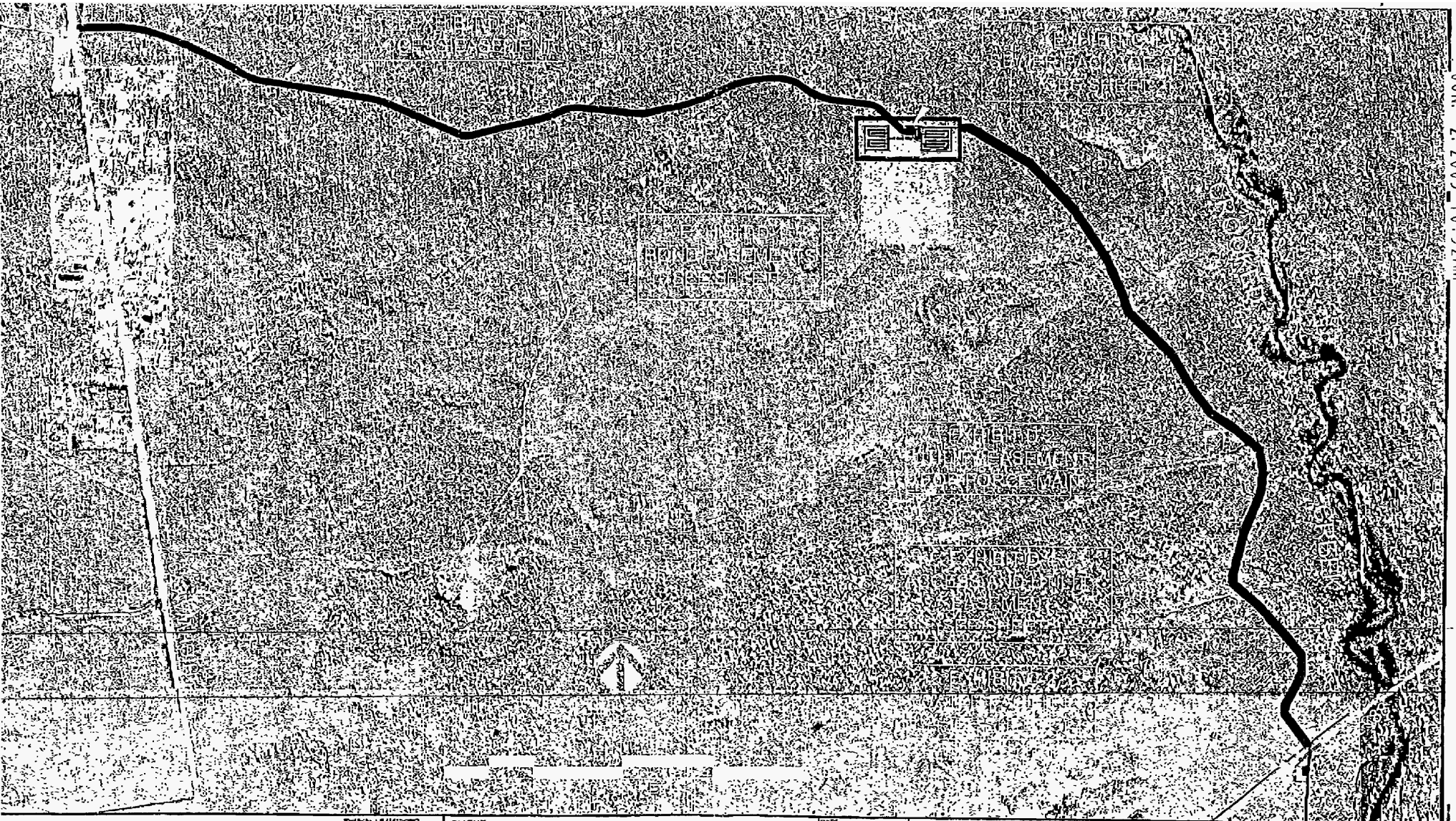
EXHIBIT "B"

Additional Sewer Facilities

Additional tanks containing surge, sludge holding and aeration compartments.

Construction Schedule

Construction of the Additional Sewer Facilities will commence at a time when the 200<sup>th</sup> residential unit applies for connection to the sewer facilities and will be completed within six months of commencement.



**WilsonMiller**

Planners • Engineers • Surveyors • Landscape Architects • Transportation Consultants  
 WilsonMiller, Inc.  
 Naples • Fort Myers • Sarasota • Tampa • Melbourne • Panama City Beach  
 800 British Road, Suite 400 • Panama City, Florida 32407 • Phone 405-435-8773 • Fax 407-238-9513 • [www.wilsonmiller.com](http://www.wilsonmiller.com)

CLIENT: ST. JOE COMPANY  
 PROJECT: RIVERCAMPS ON CROOKED CREEK

DATE: Nov, 2004  
 HORIZONTAL SCALE: 1" = 4000'  
 VERTICAL SCALE: N/A  
 SIZE: 11 1/2" x 22" 25 16V

TITLE: EXHIBITS FOR UTILITY SYSTEM ACQUISITION AGREEMENT  
 CROSS REFERENCE FILE NO.:  
 PROJECT NUMBER: 03761-014-000

WDC# NUMBER: B-03761-122  
 SHEET NUMBER: 1 of 3

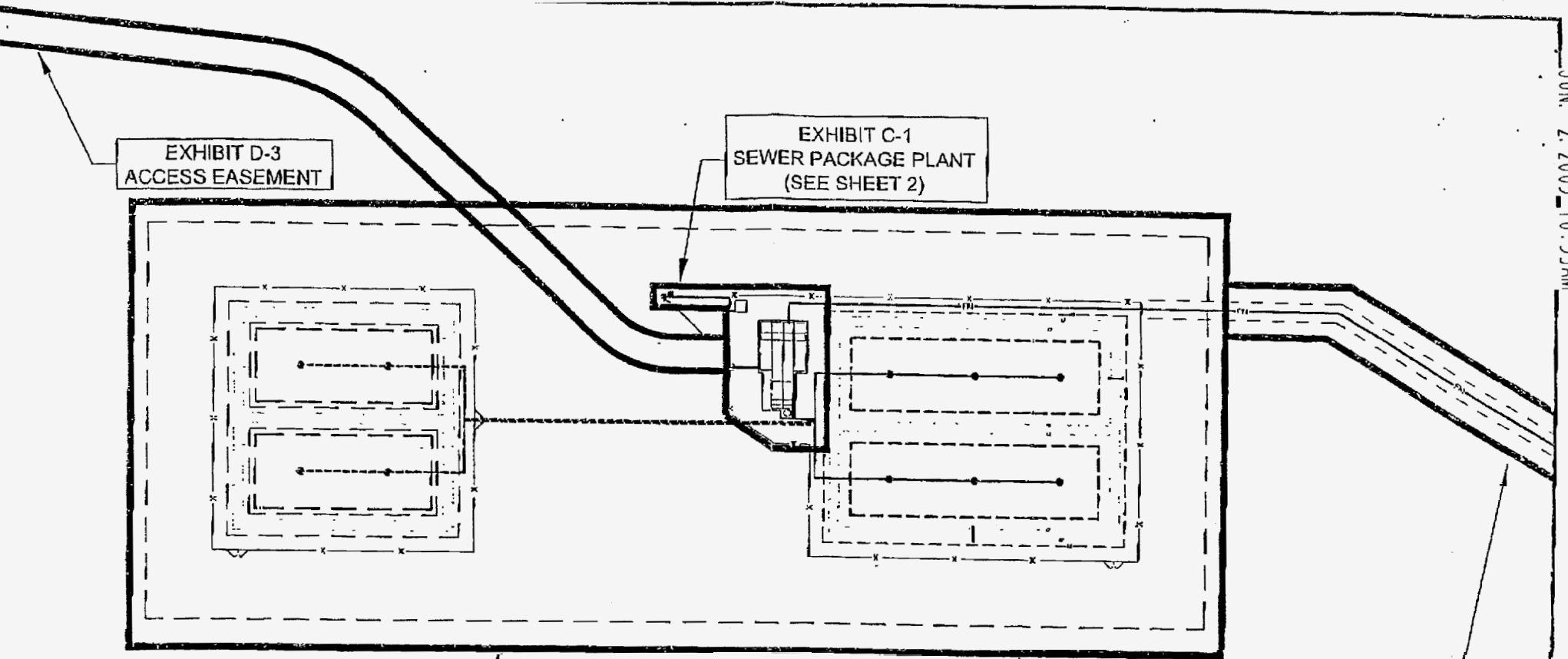


EXHIBIT D-1  
POND EASEMENTS  
(SEE SHEET 2)

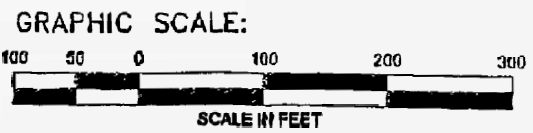
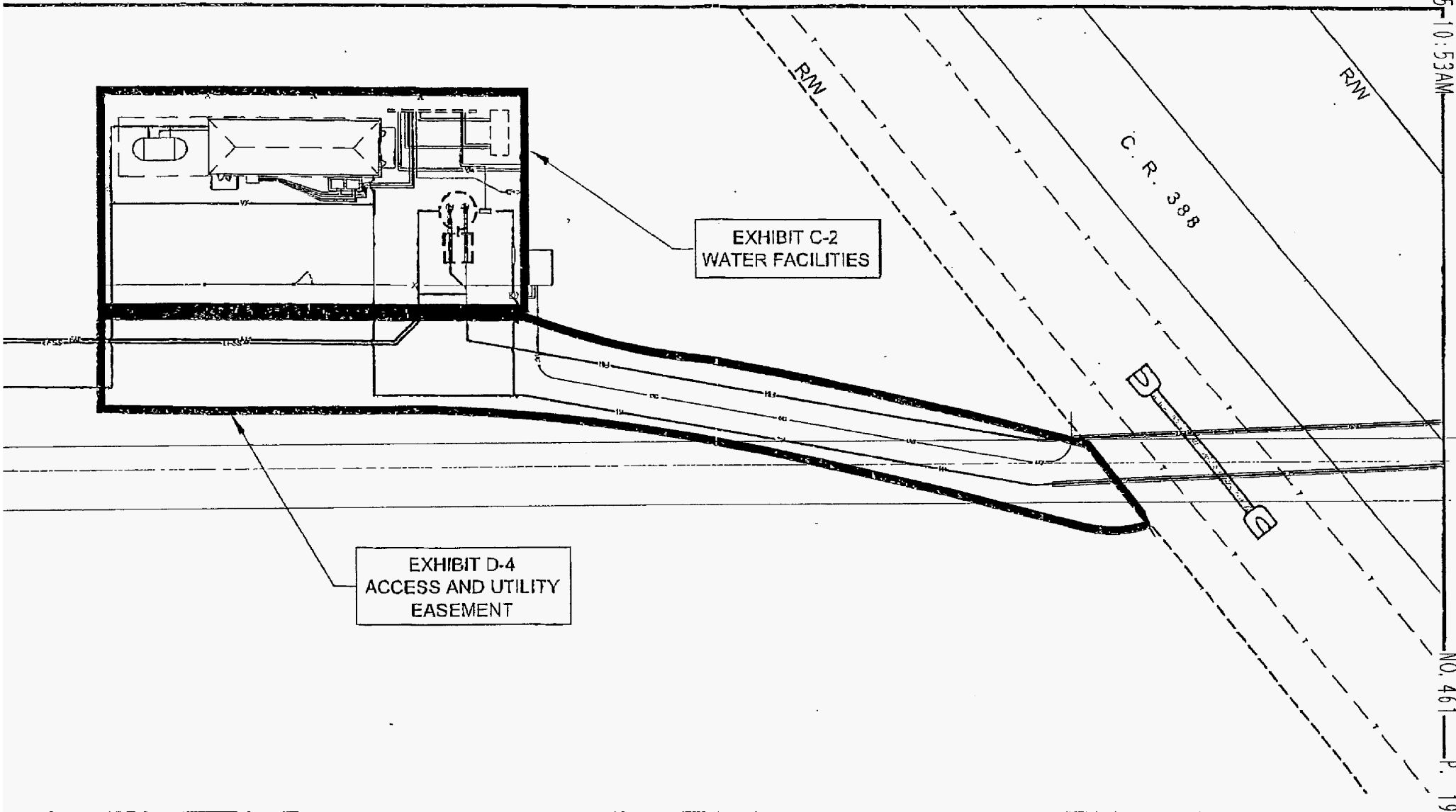


EXHIBIT D-2  
UTILITY EASEMENT  
FOR FORCE MAIN

|   |  |   |  |  |                                       |
|---|--|---|--|--|---------------------------------------|
| <p><b>Wilson Miller</b><br/>Planners - Engineers - Ecologists - Surveyors - Landscape Architects - Transportation Consultants<br/>Wilson Miller, Inc.<br/>Miami - Fort Myers - Sarasota - Tampa - Tallahassee - Punta Gorda Beach<br/>400 Bradenton Road, Suite 100 - Punta Gorda, Florida 33627 - Phone: 888-234-1270 - Fax: 888-234-0380 - www.wilsonmiller.com</p> | <p>CLIENT:<br/><b>ST. JOE COMPANY</b></p>              | <p>DATE:<br/>May, 2004</p>  | <p>TITLE:<br/><b>EXHIBITS FOR UTILITY SYSTEM ACQUISITION AGREEMENT</b></p> |  | <p>BLK/CD NUMBER:<br/>B-03761-122</p> |
|   | <p>PROJECT:<br/><b>RIVERCAMPS ON CROOKED CREEK</b></p> | <p>HORIZONTAL SCALE:<br/>1" = 100'</p> <p>VERTICAL SCALE:<br/>N/A</p> <p>SEC: 21-22-23<br/>TWP: 2S<br/>R-02</p> | <p>CROSS REFERENCE FILE I.D.<br/>03761-014-000</p>                         | <p>PROJECT NUMBER:<br/>03761-014-000</p> | <p>SHEET NUMBER:<br/>2 of 3</p>       |



|  |   |  |   |   |
|--|---|--|---|---|
| <p><b>Wilson Miller</b><br/>                 Planners • Engineers • Ecologists • Surveyors • Landscape Architects • Transportation Consultants<br/>                 Wilson Miller, Inc.<br/>                 Maps • Fort Myers • Sebring • Tampa • Tallahassee • Panama City Beach<br/>                 91 Esplanade Blvd, Suite 101 • Panama City, Florida 32407 • Phone: 904-336-8770 • Fax: 904-336-3580 • www.wilsonmiller.com</p> | CLIENT: ST. JOE COMPANY<br>PROJECT: RIVERCAMPS ON CROOKED CREEK | DATE: Nov, 2004<br>HORIZONTAL SCALE: 1" = 100'<br>VERTICAL SCALE: N/A<br>SUG. TEMP. RSC: 25 16W<br>21.22 23 76.2E.16 | TITLE: EXHIBITS FOR UTILITY SYSTEM ACQUISITION AGREEMENT<br>OTHER REFERENCE FILE NO.<br>PROJECT NUMBER: 03761-014-000 | SHEET NUMBER: 3 OF 3<br>BLOCK NUMBER: B-03761-122 |
|--|---|--|---|---|