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TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

January 18, 2006

Mr. Dwight T. Jenkins  
Division Director  
St. Johns River Water Management District  
Department of Resource Management  
P. O. Box 1429  
Palatka, FL 32178-1429

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JAN 18 PM 3:58  
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Re: Docket No. 010087-WS, Application of Sun Communities Finance LLC d/b/a Water Oak Utility for Reuse Project Plan and Increase in Wastewater Rates; Consumptive Use Permits Nos. 282 and 95654

Dear Mr. Jenkins:

**CMP** \_\_\_\_\_ On January 17, 2006, I spoke to Mr. Mike McGovern of your office regarding a Motion  
**COM** \_\_\_\_\_ to Modify Order and Close Docket by Sun Communities Finance, LLC d/b/a Water Oak Utility  
(Water Oak or utility). It appears from this Motion that the utility does not intend to institute  
**CTR** \_\_\_\_\_ reuse in the near future. The utility stated in its pleading that:

**ECR** \_\_\_\_\_  
**GCL** \_\_\_\_\_ Upon further investigation and after discussion between the Utility, its lawyers  
and engineers and issuance of a new Water Use Permit from the St. Johns River  
**OPC** \_\_\_\_\_ Water Management District, the Utility has determined that the requirement for  
implementation of a reuse system is not eminent and therefore, the Utility has  
**RCA** \_\_\_\_\_ decided to delay implementation of that expensive project until it is determined  
**SCR** \_\_\_\_\_ that such reuse project must be implemented immediately.

**SGA** \_\_\_\_\_ In reviewing the February 10, 2005 Consumptive Use Technical Staff Report for  
**SEC** | **Application No. 282**, it appeared that the conclusions therein were based on a statement in the  
**OTH** \_\_\_\_\_ analysis that "Reclaimed water from the proposed reuse treatment plant upgrade will be supplied  
to the golf course (CUP #95654) for irrigation by the end of 2006." In addition, review of  
Consumptive Use Permit Number 282, Condition 17 required the permittee to continue to  
implement the Water Conservation Plans submitted to the District on September 14, 2004, in  
accordance with the schedules contained therein. According to Mr. McGovern, reuse was part of  
the Conservation Plan.

I would appreciate your comments and input on the question of whether reuse is eminent for Water Oak. In addition, your response to the following questions would be helpful.

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Mr. Dwight Jenkins

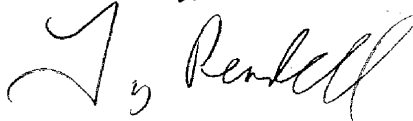
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1. Did the St. Johns River Water Management District (SJRWMD) rely on the representation that reuse would be supplied to the golf course by the end of 2006 when it issued CUP 282 to the utility on April 19, 2005?
2. How does the nonimplementation of reuse affect the utility's current CUP and future CUP issuances?
3. Does the SJRWMD plan to take any action regarding the utility at the present time? If so, please explain.
4. Does the SJRWMD plan to require or recommend that Water Oak implement a reuse system? If so, by what date will the SJRWMD require the reuse system to be operational?

I would appreciate your response by February 15, 2006. If you have any questions, please feel free to call me at (850) 413-6934.

Sincerely,



Troy Rendell  
Public Utilities Supervisor

TR:sm

cc: Division of Economic Regulation (Merta)  
Office of the General Counsel (Jaeger)  
Division of the Commission Clerk and Administrative Services (010087-WS)  
F. Marshall Deterding, Esquire