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

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**DATE:** February 27, 2006  
**TO:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
**FROM:** Nina L. Merta, Professional Accountant Specialist, Division of Economic Regulation  
**RE:** Sun Communities Finance, LLC d/b/a Water Oak Utility, Docket No. 010087-WS

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Attached is a February 21, 2006 letter from Catherine A. Walker, P.E., MBA, St. Johns River Water Management District, in response to questions stated in staff's January 18, 2006 letter. Please include this letter in the above docket file.

Cc: Division of Economic Regulation (Rendell)

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# St. Johns River Water Management District

Kirby B. Green III, Executive Director • David W. Fisk, Assistant Executive Director  
David Dewey, Altamonte Springs Service Center Director

975 Keller Road • Altamonte Springs, FL 32714-1618 • (407) 659-4800  
On the Internet at [www.sjrwmd.com](http://www.sjrwmd.com).

February 21, 2006

Certified No. 7004 1160 0002 7097 8125

Mr. Troy Rendell  
State of Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL. 32399-0850

RE: Document Nos. 010087-WS and 990243-WS MOTION TO MODIFY ORDER AND  
CLOSE DOCKET

Dear Mr. Rendell

Your letter of January 18, 2006 requested the answers to four questions concerning the dockets cited above.

1. *Did 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?*

The applicant stated that reclaimed water was not available to meet the demands under application number 282, which is the potable water supply. However, the District did rely on the representation that reuse would be supplied to the golf course under application number 95654. It was the understanding of the District that the use of reclaimed water by the golf course, supplied by the utility, was eminent.

District rules require the use of reclaimed water if it is deemed economically, environmentally and technologically feasible. During the application process, the utility did not provide evidence to the District indicating that reclaimed water use was not feasible pursuant to District rule. Rather, the utility requested a separate consumptive use permit for the golf course (CUP 95654) and in correspondence to the District stated:

“Water Oak Utility received the construction permit to convert the waste water treatment facility to reuse. They are currently obtaining bids from construction contractors. It is our estimate that the wastewater treatment facility should be ready to supply reclaimed water for irrigation purposes by the end of 2006”. (see attached correspondence).

2. *How does the non-implementation of reuse affect the utility’s current CUP and future CUP issuances?*

Since the utility’s CUP (no. 282) did not rely on information stating that reuse would become available, failure to implement the reuse will not cause them to be out of

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compliance with the current permit. It will however, adversely affect the ability to meet the reasonable-beneficial use test at the time of permit renewal.

With respect to the golf course permit, (CUP number 95654) the District did rely on the applicant's statement that reclaimed water would be available from Water Oaks Utility. Since all information in the application forms the basis of the District's decision as to whether or not our permitting criteria are met, failure to implement the reuse project adversely impacts the applicant's demonstration that the reasonable-beneficial criteria have been met.

3. *Does the SJRWMD plan to take any action regarding the utility at the present time? If so, explain.*

At this time, the District is limited in its ability to pursue enforcement against the utility based on the permit conditions and the content of the application for permit number 282. Upon permit renewal, or a request for a modification, the District will require that the reclaimed water supply be developed to meet lower quality demands in the area. We will encourage the utility to fulfill the obligations provided in support of application number 95654 to strengthen their application for renewal of permit number 282 in 2010.

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?*

We will strongly recommend that the utility implement a reuse system as they committed to do in support of application number 95654. At the latest, the District plans to require Water Oak to implement a reuse system at the time of renewal of the current permit in April, 2010. However via correspondence cited earlier and attached to this letter the District fully expected the utility to provide reuse to the golf course during 2006.

Sincerely,



Catherine A. Walker, P.E., MBA  
Assistant Division Director  
Division of Water Use Regulation

cc: PDS/RAIL,  
Dwight Jenkins  
James Hollingshead  
Mike McGovern  
Shannon Joyce  
Jenny Lingo (PSC)



**EXCEL**  
**ENGINEERING CONSULTANTS, INC.**  
 Environmental & Civil Engineers

SCANNED  
 Date 1/20/05

January 17, 2005

St. Johns River Water Management District  
 Mr. Mike McGovern, P.G., Hydrologist  
 Division of Water Use Regulation  
 Department of Resource Management  
 975 Keller Road  
 Altamonte Springs, FL 32714-1618

95654

**Subject: Consumptive Use Permit Application Modification No. 282**  
**Water Oak Utilities, Lady Lake, Florida**  
**Request for Additional Information No. 1**

Dear Mr. McGovern: **GOLF COURSE**

Please be advised that we received your October 12, 2004 letter requesting additional information. Consequently, We will respond to each item in the same order of your letter as follows:

1. Water Oak Utility received the construction permit to convert the Wastewater Treatment Facility to reuse. They are currently obtaining bids from contractors. It is our estimate that the Wastewater Treatment Facility should be ready to supply reclaimed water for irrigation purposes by the end of 2006.
2. Please find the attached golf course water conservation plan.

Should you have any questions or concerns on this matter, please do not hesitate to call.

Sincerely,  
 Excel Engineering Consultants, Inc.

*Soumya Chakrabarti*

Soumya Chakrabarti  
 Staff Engineer

X107

SC/mr

cc:

enclosures: Golf Course Water Conservation Plan

Doc WAT01-0404-001.doc

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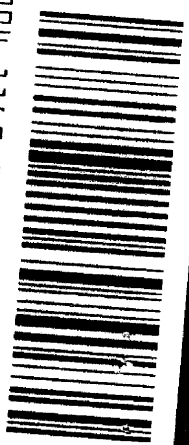
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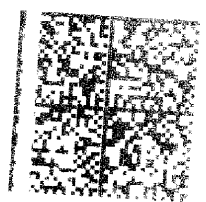
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