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Public Service Commission

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COMMISSION
CLERK

DATE: January 12, 2007

TO: Ann Cole, Chief of Records, Division of the Commission Clerk & Administrative Services

FROM: Stanley D. Rieger, ^{SDR} Utilities System/Engineering Specialist, Division of Economic Regulation

RE: Docket No. 060694-WS, Application for certificate to provide water and wastewater service in Flagler and Volusia Counties by D & E Water Resources, L.L.C.

Please include the attached December 19, 2006, and January 5, 2007, Department of Community affairs letters in the docket file of Docket No. 060694-WS. Thank you.

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STATE OF FLORIDA
DEPARTMENT OF COMMUNITY AFFAIRS

"Dedicated to making Florida a better place to call home"

JEB BUSH
Governor

THADDEUS L. COHEN, AIA
Secretary

December 19, 2006

Ms. Patti Daniel
Certification Supervisor
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

06 DEC 21 AM 9:32
REGULATORY

**Re: Request for Review Deadline Extension
Docket No. 060694-WS; Application for certificate to provide water and
wastewater service in Flagler and Volusia Counties by D. & E. Water Resources,
L.L.C.**

Dear Ms. Daniel:

On November 27, 2006 we received from your office a request to review the application for original certificates to provide water and wastewater services in Flagler and Volusia Counties by D. & E. Water Resources, L.L.C. Our deadline for the completion of our review is December 20, 2006. To assist us in our review, we have contacted the local governments in the proposed service area for additional information about their comprehensive plans. In view of this, we are requesting an extension in the review deadline to no later than January 5, 2007. Please contact Joseph Addae-Mensa, Senior Planner, at (850) 922-1783 or joseph.addae-mensa@dca.state.fl.us if you have questions regarding this matter.

Sincerely,

James Stansbury
Regional Planning Administrator
Division of Community Planning

Clay Henderson, Holland + Knight, LLP, Orlando
D. Bruce May, Jr., Holland + Knight, LLP, Tallahassee

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STATE OF FLORIDA

DEPARTMENT OF COMMUNITY AFFAIRS

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CHARLIE CRIST
Governor

THOMAS G. PELHAM
Secretary

January 5, 2007

Ms. Patti Daniel
Certification Supervisor
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

07 JAN -9 AM 9:55
RECEIVED
COMMUNITY AFFAIRS

RE: Docket No. 060694-WS, Application for certificate to provide water and wastewater service in Flagler and Volusia Counties by D. & E. Water Resources, L.L.C.

Dear Ms. Daniel:

The Department has completed its review of the application for original certificate to provide water and wastewater service in Flagler and Volusia Counties by D. & E. Water Resources, L.L.C. Pursuant to the Memorandum of Understanding between the Department and the Public Service Commission (PSC), we reviewed the application on the basis of the need for the service and consistency of the application with the adopted comprehensive plans of Flagler County and Volusia County. The applicant, D. & E. Water Resources, L.L.C., is affiliated to Plum Creek Timberlands, LP, and Plum Creek Investment Company, which own the land subject of this application. According to the information provided in the application docket, the proposed service area encompasses approximately 33,680 acres, of which 26,600 acres are located in Flagler County and 7,080 acres are located in Volusia County. The applicant intends to provide 294,000 gallons of potable water a day to 840 customers and 99,000 gallons of wastewater treatment a day to 333 customers within the entire service area. We have the following comments on the application:

The portion of the proposed service area located in Flagler County is designated Agriculture & Timberlands (1 dwelling unit per 5 acres) and Conservation (no density allowed) on the County's future land use map (FLUM). The property is being used for forest operations such as timber and hunting. According to the information provided in the application, the City of Bunnell annexed the property on June 20, 2006, and the property owner is in the process of obtaining a subdivision approval from the City of Bunnell for a residential development to be known as Oak View. The applicant has proposed potable water service for 350 dwelling units and wastewater service for 299 of the 350 units within Flagler County, for what the application describes as Phase 1 of the development. There is no indication in the application of the amount of development that will occur at build out of the subdivision and the amount of water and wastewater service that will be required to serve the development.

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Ms. Patti Daniel
January 5, 2007
Page Two

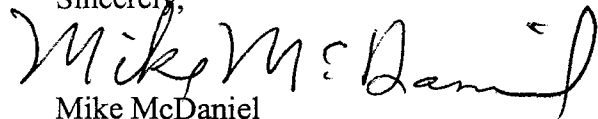
Section 171.062(2), F.S., states that:

“If an annexed area was subject to a county land use plan and county zoning or subdivision regulations, these regulations remain in full force and effect until the municipality adopts a comprehensive plan amendment that includes the annexed area.”

Therefore, it should be noted that any development authorized by the City of Bunnell on the subject property must be consistent with the Flagler County comprehensive plan goals, objectives and policies and the County’s zoning or subdivision regulations, until the City of Bunnell adopts an amendment to its FLUM to reflect the annexation. Based on the level of development allowed by Flagler County comprehensive plan for the proposed service area, as well as the policies in the comprehensive plan that direct growth to occur within the Planned Urban Service Area Boundary as depicted by the future land use map, we have determined that there is no need for central water and wastewater service in this area of Flagler County at this time. The Department has not identified any inconsistency of the application with the Volusia County comprehensive plan.

We appreciate the opportunity to comment on this application. If you have any questions regarding this matter, please contact Joseph Addae-Mensa, Senior Planner, at (850) 922-1783, or joseph.addae-mensa@dca.state.fl.us

Sincerely,



Mike McDaniel

Acting Chief of Comprehensive Planning
Division of Community Planning

cc: Clay Henderson, Holland & Knight, LLP, Orlando
D. Bruce May, Jr., Holland & Knight, LLP, Tallahassee
Adam Mengel, AICP, Planning & Zoning Director, Flagler County
Montye Beamer, Growth & Resource Development Director, Volusia County