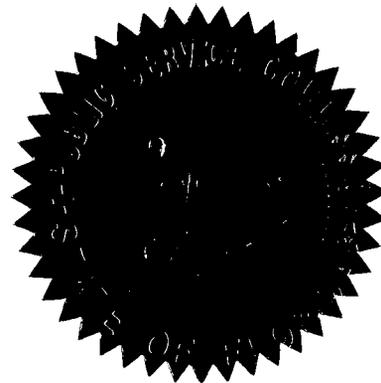


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060726-WS

In the Matter of:

APPLICATION FOR CERTIFICATES TO PROVIDE
WATER AND WASTEWATER SERVICE IN GLADES
COUNTY AND WATER SERVICE IN HIGHLANDS
COUNTY BY SILVER LAKE UTILITIES, INC.



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 14

BEFORE: CHAIRMAN LISA POLAK EDGAR
COMMISSIONER MATTHEW M. CARTER, II
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, August 14, 2007

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

1 PARTICIPATING:

2 MARTIN S. FRIEDMAN, ESQUIRE, representing Silver
3 Lakes Utilities, Inc.

4 KATHERINE FLEMING, ESQUIRE, representing the
5 Commission Staff.

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CHAIRMAN EDGAR: And we will be on Item 14.

MS. BRADY: Commissioners, Pat Brady of Commission staff.

Item 14 is an application by Silver Lake utilities, Inc. for an original water certificate in Highlands and Glades County, and an original wastewater certificate in Glades County.

Staff has requested additional time to review the proposed rates and charges, and the utility has concurred. Staff would note that there is a statutory deadline to approve or deny the certificates at this agenda unless the utility waives the time frame. Staff is prepared to answer any questions you may have. Also, Mr. Friedman is here on behalf of the utility.

CHAIRMAN EDGAR: Thank you. Mr. Friedman.

MR. FRIEDMAN: Thank you, Madam Chairman.

Commissioners, my name is Martin Friedman of the law firm of Rose, Sundstrom & Bentley, and we represent Silver Lake Utilities. With me also is Chris Shoemaker, who is going to be the utility director for this utility.

We concur and support the staff's recommendation. We are available to answer any questions that may arise, and I would like to comment on any responses that the staff may have to any of the Commissioners' comments.

1 Thank you.

2 CHAIRMAN EDGAR: Thank you.

3 Commissioners, are there questions for our staff or
4 the utility?

5 Commissioner Argenziano.

6 COMMISSIONER ARGENZIANO: For staff. Just so I
7 understand, can you tell me where all the wells are located?

8 MS. BRADY: Well, there is going to be three -- there
9 are three separate well issues. There are existing wells, and
10 they span the entire territory. As a matter of fact, the
11 service territory kind of inscribes them from the northern part
12 to the southern part to the eastern part to the western part.
13 Those are the existing wells currently being operated by the
14 Lykes Brothers, the parent entity. The utility is going to
15 take over those wells and continue to operate and maintain
16 them.

17 There is also a proposal in this application for a
18 new development, proposed new development in southern Glades
19 County, it's the Muse Village. And adjacent to Muse Village,
20 not very far away is an existing West Glades school campus.
21 And they have requested service from the Muse development when
22 central facilities become available. They are right now
23 struggling with their package plants.

24 There is a third set of wells that will be drilled
25 wherever necessary, probably around the perimeter of the

1 territory, to serve any entities outside that are in need of
2 bulk water, whether in treated or in raw form. And that will
3 be determined -- where those are located will be determined by
4 where the requests come from. The utility is willing to make
5 the water under its properties, under the parent's properties
6 available for bulk water to other entities outside their
7 service territory.

8 COMMISSIONER ARGENZIANO: And if I may just ask -- of
9 course, I have concerns about sprawl and all of that stuff, but
10 I guess what I need to ask you is have they met all the
11 statutory requirements for the water permit?

12 MS. BRADY: Well, let me say this, it will probably
13 answer your question. This is a little unusual in that the
14 area that they are proposing to develop, the Muse development,
15 which will be community, the high density area, that has been
16 previously zones and approved for residential. And that was
17 unusual. DCA commented on that. Now, the DCA was -- and they
18 said it is fine for them to serve the West Glades school and
19 any other area in Glades County that has already been
20 designated. Apparently there have been some other areas.

21 They were concerned about the rural nature of the
22 rest of the territory, and that granting a water certificate
23 might encourage sprawl. But the utility responded by saying
24 that in that other territory they are only taking over
25 24 existing wells and plan on operating that. And as

1 evidenced, I had noted that the utility is not really intending
2 to develop those areas. It did not ask for a wastewater
3 certificate in Highlands County. We questioned them on it.
4 This would be the time to do it, but they said there is no need
5 current or future that they can anticipate for development.
6 They want it in ranching and farming.

7 COMMISSIONER ARGENZIANO: Thank you.

8 CHAIRMAN EDGAR: Commissioners, other questions for
9 staff or the utility?

10 Mr. Friedman, did you want to comment on any of those
11 responses?

12 MR. FRIEDMAN: The simple answer to Commissioner
13 Argenziano's question was, yes, the application does meet all
14 the statutory and rule requirements for certification.

15 Thank you.

16 CHAIRMAN EDGAR: Commissioner Skop.

17 COMMISSIONER SKOP: Madam Chair, at the appropriate
18 time I would like to make a motion to approve staff's
19 recommendation.

20 CHAIRMAN EDGAR: Are there further questions?

21 Seeing none, we have a motion in favor of the staff
22 recommendation. Commissioner Carter has given us a second. We
23 have had discussion. All in favor of the motion say aye.

24 (Unanimous affirmative vote.)

25 CHAIRMAN EDGAR: Opposed?

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Show it adopted.

STATE OF FLORIDA)

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CERTIFICATE OF REPORTER

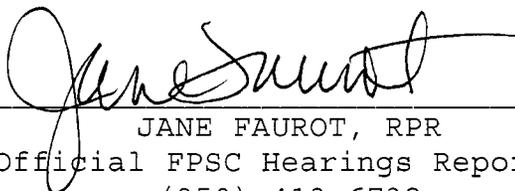
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 21st day of August, 2007.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732