

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

**DATE:** August 6, 2009

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Economic Regulation (Johnson, Kaproth, Simpson)  
Office of the General Counsel (Bennett)

*Handwritten initials and signatures:* KK JS, [unclear], [unclear], [unclear], [unclear]

**RE:** Docket No. 090184-WS – Application for grandfather certificate to operate water and wastewater utilities in St. Johns County by North Beach Utilities, Inc.  
County(ies): St. Johns

**AGENDA:** 08/16/09 – Regular Agenda – Interested Persons May Participate

*18-cc*

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Edgar

**CRITICAL DATES:** September 2, 2009, statutory deadline for certificate of authorization

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\090184.RCM.DOC

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### Case Background

On December 2, 2008, the Board of County Commissioners of St. Johns County passed Ordinance No. 2008-57, declaring the privately owned water and wastewater utilities in St. Johns County to be subject to the provisions of Chapter 367, Florida Statutes (F.S.). The Ordinance was filed with the Commission on January 16, 2009 and acknowledged by this Commission on February 12, 2009.<sup>1</sup> The effective date of the transfer of jurisdiction is January 16, 2009. Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a

<sup>1</sup> Order No. PSC-09-0092-FOF-WS, issued February 12, 2009, In Re: Ordinance by Board of County Commissioners of St. Johns County relating to regulation of water and wastewater utilities within the unincorporated areas of St. Johns County.

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FPSC-COMMISSION CLERK

system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility.

On April 13, 2009, North Beach Utilities, Inc. (North Beach or utility) filed an application for certificates under grandfather rights to provide water and wastewater service in St. Johns County pursuant to Section 367.171, F.S. The application was completed on June 4, 2009. Pursuant to Section 367.031, F.S., the Commission is required to grant or deny certificates of authorization within 90 days after the official filing date of the completed application, which would be September 2, 2009.

North Beach has been in existence since 1970 and it provides water and wastewater service for approximately 1,191 residential and commercial customers. The utility is located in the St. Johns River Water Management District which is considered a potential priority water resource caution area.

This recommendation addresses the application for grandfather water and wastewater certificates, rates, and charges. The Commission has jurisdiction pursuant to Section 367.171, F.S.

**Discussion of Issues**

**Issue 1:** Should the application of North Beach Utilities, Inc., for grandfather certificates in St. Johns County be granted?

**Recommendation:** Yes, North Beach Utilities, Inc. should be granted Water and Wastewater Certificate Nos. 645-W and 553-S to serve the territory described in Attachment A. North Beach should be required to pay regulatory assessment fees and file an annual report from the jurisdictional date, January 16, 2009, through December 31, 2009, by March 31, 2010. (Johnson, Simpson, Bennett)

**Staff Analysis:** As discussed in the case background, the Board of County Commissioners of St. Johns County transferred jurisdiction of privately-owned water and wastewater utilities in the county to the Commission on January 16, 2009. On April 13, 2009, an application was filed on behalf of North Beach to provide water and wastewater service under the grandfather rights of Section 367.171(2)(b), F.S. The application was completed on June 4, 2009, making this the official filing date pursuant to Section 367.031, F.S. The application is in compliance with the governing statute and other pertinent statutes and administrative rules concerning an application for grandfather certificates.

The application indicates that North Beach became a corporation in 1983. Rule 25-30.035(6), Florida Administrative Code (F.A.C.), requires proof that the utility owns the land upon which the treatment facilities are located or evidence for the continued use of the land. North Beach has provided proof of ownership of the land on which the water and wastewater facilities are located.

An accurate territory description and adequate service territory and system maps have been provided as prescribed by Rule 25-30.035(9), (10), and (11), F.A.C. A description of the territory is appended to this memorandum as Attachment A. Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation.

Staff has advised the utility that it must submit a 2009 annual report and remit 2009 regulatory assessment fees for the period of January 16, 2009, through December 31, 2009, by March 31, 2010. In addition, staff explained to the utility the need to maintain its books and records according to the National Association of Regulatory Utility Commissioners Uniform System of Accounts, as well as the need to keep the utility books and records separate from non-utility business. According to the owners, they are aware of these requirements, since they were initially regulated in the mid-1980s by the Commission.

Based on the above information, staff recommends that North Beach be granted Water and Wastewater Certificate Nos. 645-W and 553-S to serve the territory described in Attachment A. North Beach should be required to pay regulatory assessment fees and file an annual report from the jurisdictional date, January 16, 2009, through December 31, 2009, by March 31, 2010.

**Issue 2:** What rates and charges should be approved for North Beach Utilities, Inc.?

**Recommendation:** The utility's rates and charges that were in effect when St. Johns County rescinded jurisdiction, shown on Schedule No. 1, should be approved. North Beach should be required to charge the approved rates, including the pass-through rate increase, until authorized to change by this Commission in a subsequent proceeding. The rates should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. (Johnson)

**Staff Analysis:** According to the application, St. Johns County approved the rates and charges shown on Schedule No. 1. On May 22, 2009, the utility applied for a 2009 pass-through rate adjustment to address the inclusion of regulatory assessment fees. The pass-through rate adjustment, shown on Schedule No. 2, was approved effective July 1, 2009. Staff recommends that the utility's rates and charges that were in effect when St. Johns County rescinded jurisdiction should be approved. North Beach should be required to charge the approved rates, including the pass-through rate increase, until authorized to change by this Commission in a subsequent proceeding. The rates should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C.

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**Issue 3:** Should this docket be closed?

**Recommendation:** Yes. Since there are no pending issues in this docket, the docket should be closed upon the issuance of a final order. (Bennett)

**Staff Analysis:** Yes. Since there are no pending issues in this docket, the docket should be closed upon the issuance of a final order.

North Beach Utilities, Inc.  
Description of Territory Served  
St. Johns County

*Description: A PARCEL OF LAND IN SURVEYED AND UNSURVEYED SECTIONS 4, 5, 8 AND 9, TOWNSHIP 7 SOUTH, RANGE 30 EAST, SECTIONS 29, 30, 32 AND 44 (J. ARNAU GRAND), TOWNSHIP 6 SOUTH, RANGE 30 EAST, ALL IN ST. JOHNS COUNTY, FLORIDA, AND BEING MORE FULLY DESCRIBED AS FOLLOWS:*

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 29, TOWNSHIP 6 SOUTH, RANGE 30 EAST, BEING THE CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, TOWNSHIP 6 SOUTH, RANGE 30 EAST; THENCE EASTERLY ON THE NORTH LINE OF SAID SECTION 29; THENCE SOUTHERLY ON THE WEST SHORE LINE OF THE ATLANTIC OCEAN TO THE INTERSECTION OF SAID SHORE LINE WITH THE EASTERLY EXTENTION OF THE NORTH LINE OF VILANO ROAD OF VILANO BEACH UNIT A AS RECORDED IN MAP BOOK 4, PAGE 48, PUBLIC RECORDS OF SAID COUNTY; THENCE WESTERLY ON SAID NORTH LINE OF VILANO ROAD (BEING THE NORTH LINE OF STATE ROAD NO. A1A FOR A PORTION OF ITS LENGTH) TO THE EAST SHORE OF THE NORTH RIVER (TOLOMATO RIVER); THENCE NORTHERLY ON SAID EAST SHORE OF RIVER TO THE NORTH LINE OF SURVEYED SECTION 30, TOWNSHIP 6 SOUTH, RANGE 30 EAST; THENCE EASTERLY ON THE SAID NORTH LINE OF UNSURVEYED SECTION 30 AND OF SAID SECTION 30 TO THE POINT OF BEGINNING.

TOGETHER WITH

*A PARCEL OF LAND IN VILANO BEACH, UNIT A, AS RECORDED IN MAP BOOK 4, PAGE 48, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA; IN VILANO BEACH AMENDED, AS RECORDED IN MAP BOOK 7, PAGE 10, OF SAID PUBLIC RECORDS AND IN ANY OF THAT PART OF SECTIONS 8 AND 9, TOWNSHIP 7 SOUTH, RANGE 30 EAST IN SAID COUNTY, LYING NORTH OF THE NORTHERLY LINES OF PORPOISE POINT AS RECORDED IN MAP BOOK 15, PAGES 1 THROUGH 9 OF SAID PUBLIC RECORDS, SAID PARCEL OF LAND BEING MORE FULLY DESCRIBED AS FOLLOWS:*

COMMENCING AT THE SECTION CORNER SHOWN ON PLAT OF SAID PORPOISE POINT AND COMMON TO SECTIONS 4, 5, 8 AND 9 OF SAID TOWNSHIP 7 SOUTH, RANGE 30 EAST; THENCE SOUTH 00 DEGREES 29 MINUTES 50 SECONDS EAST, ON THE LINE BETWEEN SAID SECTIONS 8 AND 9, A DISTANCE OF 248.98 FEET; THENCE SOUTH 88 DEGREES 49 MINUTES 47 SECONDS WEST, ON THE SOUTH LINE OF VILANO ROAD, A 100 FOOT WIDTH RIGHT-OF-WAY, 664.12 FEET; THENCE SOUTH 56 DEGREES 48 MINUTES 42 SECONDS EAST, ON THE SOUTHWESTERLY LINE OF FERROL STREET, 160.03 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 18 DEGREES 36 MINUTES 46 SECONDS WEST 161.04 FEET; THENCE SOUTH 61 DEGREES 43 MINUTES 16 SECONDS EAST 192.08 FEET; THENCE SOUTHERLY ON THE WESTERLY LINE OF JEREZ COURT, ON A CURVE WITH RADIUS OF 1,353.62 FEET AND CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 13 DEGREES 11 MINUTES 08 SECONDS, AN ARC DISTANCE OF 311.51 FEET (CHORD BEING SOUTH 06 DEGREES 46 MINUTES 43 SECONDS WEST 310.82 FEET); THENCE EASTERLY ON THE SOUTHERLY LINE OF ANRESSA ROAD, ON A CURVE WITH RADIUS OF 1,507.78 FEET AND CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 27 DEGREES 54 MINUTES 35 SECONDS, AN ARC DISTANCE OF 734.46 FEET (CHORD BEING SOUTH 74 DEGREES 46 MINUTES 18 SECONDS EAST 727.22 FEET); THENCE CONTINUING EASTERLY ON THE SOUTHERLY LINE OF MARESSA ROAD, ON A CURVE WITH RADIUS OF 2,420.95 FEET AND CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 12 DEGREES 06 MINUTES 26 SECONDS, AN ARC DISTANCE OF 511.57 FEET (CHORD BEING SOUTH 58 DEGREES 13 MINUTES 13 SECONDS EAST 510.62 FEET); THENCE SOUTHERLY ON A CURVE WITH RADIUS OF 25.00 FEET AND CONCAVE WESTERLY THROUGH A CENTRAL ANGLE OF 107 DEGREES 58 MINUTES 00 SECONDS, AN ARC DISTANCE OF 47.11 FEET (CHORD BEING SOUTH 01 DEGREE 49 MINUTES 00 SECONDS WEST 40.44 FEET);

THENCE SOUTH 55 DEGREES 48 MINUTES 00 SECONDS WEST, ON A SOUTHEASTERLY LINE OF LOTS 6 AND 9, BLOCK 4, OF SAID PORPOISE POINT, 139.53 FEET; THENCE SOUTH 70 DEGREES 35 MINUTES 00 SECONDS EAST, ON THE NORTHEASTERLY LINE OF LOTS 10, 11, 12, 13 AND 14 OF SAID BLOCK 4, PORPOISE POINT, 396.31 FEET; THENCE SOUTHEASTERLY ON THE NORTHEASTERLY LINE OF LOT 14 OF SAID BLOCK 4, PORPOISE POINT, ON A CURVE WITH RADIUS OF 2,420.95 FEET AND CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 02 DEGREES 38 MINUTES 01 SECOND, AN ARC DISTANCE OF 111.28 FEET (CHORD BEING SOUTH 36 DEGREES 45 MINUTES 12 SECONDS EAST 111.27 FEET); THENCE NORTH 64 DEGREES 25 MINUTES 00 SECONDS EAST, ON THE NORTHWESTERLY LINE OF PORPOISE POINT DRIVE, 61.19 FEET; THENCE NORTH 67 DEGREES 44 MINUTES 00 SECONDS EAST, ON SAID NORTHWESTERLY LINE OF PORPOISE POINT DRIVE, 269.54 FEET; THENCE NORTH 66 DEGREES 16 MINUTES 04 SECONDS EAST, ON SAID NORTHWESTERLY LINE OF PORPOISE POINT DRIVE, 61.17 FEET; THENCE NORTH 64 DEGREES 44 MINUTES 00 SECONDS EAST, ON SAID NORTHWESTERLY LINE OF PORPOISE POINT DRIVE AND ON THE NORTHWESTERLY LINE OF LOT 13, BLOCK 8 OF SAID PORPOISE POINT, 654.55 FEET; THENCE NORTHERLY ON THE WESTERLY SHORE LINE OF THE ATLANTIC OCEAN 1.200 FEET MORE OR LESS TO THE INTERSECTION WITH THE EASTERLY EXTENSION OF THE NORTH LINE OF SAID VILANO ROAD; THENCE SOUTH 88 DEGREES 49 MINUTES 47 SECONDS WEST, ON SAID NORTH LINE OF VILANO ROAD, 1,700 FEET MORE OR LESS TO SAID SECTION LINE BETWEEN SECTIONS 8 AND 9; THENCE CONTINUING SOUTH 88 DEGREES 49 MINUTES 47 SECONDS WEST, ON SAID NORTH LINE OF VILANO ROAD, 1000 FEET MORE OR LESS; THENCE SOUTHERLY ON THE EASTERLY SHORE OF NORTH RIVER 320 FEET MORE OR LESS TO THE NORTHWESTERLY CORNER OF LOT 1, BLOCK 1 OF SAID PORPOISE POINT; THENCE NORTH 88 DEGREES 23 MINUTES 33 SECONDS EAST, ON THE NORTH LINE OF SAID LOT 1, BLOCK 1, PORPOISE POINT, 179.81 FEET; THENCE SOUTH 84 DEGREES 33 MINUTES 30 SECONDS EAST, ON SAID NORTH LINE OF LOT 1, BLOCK 1, A DISTANCE OF 80.43 FEET; THENCE SOUTH 76 DEGREES 08 MINUTES 56 SECONDS EAST, ACROSS ANAHMA DRIVE, 80.00 FEET; THENCE NORTHERLY ON THE EASTERLY LINE OF ANAHMA DRIVE, ON A CURVE WITH RADIUS OF 1,644.86 FEET AND CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 07 DEGREES 07 MINUTES 40 SECONDS, AN ARC DISTANCE OF 204.62 FEET (CHORD BEING NORTH 17 DEGREES 24 MINUTES 54 SECONDS EAST 204.49 FEET); THENCE ON A CURVE WITH RADIUS OF 25.00 FEET AND CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 102 DEGREES 12 MINUTES 34 SECONDS, AN ARC DISTANCE OF 44.60 FEET (CHORD BEING NORTH 72 DEGREES 05 MINUTES 01 SECOND EAST 38.92 FEET); THENCE SOUTH 56 DEGREES 48 MINUTES 42 SECONDS EAST, ON THE SOUTHWEST LINE OF FERROL STREET, 79.31 FEET TO THE POINT OF BEGINNING.

**FLORIDA PUBLIC SERVICE COMMISSION**  
**authorizes**  
**North Beach Utilities, Inc.**  
**pursuant to**  
**Certificate Number 645-W**

to provide water service in St. Johns County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	090184-WS	Grandfather Certificate

**\*Order Number and date to be provided at time of issuance.**



**FLORIDA PUBLIC SERVICE COMMISSION  
authorizes  
North Beach Utilities, Inc.  
pursuant to  
Certificate Number 553-S**

to provide wastewater service in St. Johns County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	090184-WS	Grandfather Certificate

**\*Order Number and date to be provided at time of issuance.**

**Monthly Service Rates**  
 Residential Service

Base Facility Charge	WATER	WASTEWATER
Meter Size:		
5/8" x 3/4"	\$ 25.10	
3/4"	37.65	
1"	62.84	
1 1/2"	125.66	
2"	201.06	
3"	402.16	
4"	628.30	
6"	1,256.69	
Charge per 1,000 gallons	\$1.97	
Flat Rate		\$ 36.38

General Service

Base Facility Charge		
Meter Size:		
5/8" x 3/4"	\$ 25.10	\$ 13.32
3/4"	37.65	19.96
1"	62.84	33.29
1 1/2"	125.66	66.63
2"	201.06	106.58
3"	402.16	213.18
4"	628.30	333.08
6"	1,256.69	666.11
Charge per 1,000 gallons	\$1.97	\$ 2.82
Flat Rate		\$ 36.38

Note: Effective July 1, 2009, North Beach was authorized to increase the above water and wastewater rates to address the inclusion of regulatory assessment fees.

INITIAL CUSTOMER DEPOSITS

Residential	WATER	WASTEWATER
5/8" x 3/4" Meter	\$ 20.00	\$45.00
General Service	Average bill for two months	Average bill for two months

MISCELLANEOUS SERVICE CHARGES

DESCRIPTION	NORMAL HOURS	AFTER HOURS
Water & Wastewater Service		
Initial Connection	\$ 10.00	\$ 12.00
Normal Reconnection	\$ 15.00	\$ 20.00
Violation Reconnection	\$ 20.00	\$ 25.00
Premises Visit Charge	\$ 15.00	Not Applicable

	Water	Wastewater
System Capacity Charge		
Residential –per ERC (300gpd)	\$450.00	
Residential –per ERC (240gpd)		\$750.00
All others-per gallon	\$1.50	\$3.13

METER INSTALLATION CHARGE

5/8" x 3/4"	\$90.00
1"	\$140.00
1 1/2"	\$250.00
All others	Actual Cost

**Monthly Service Rates**  
 Residential Service

Base Facility Charge	WATER	WASTEWATER
Meter Size:		
5/8" x 3/4"	\$ 26.23	
3/4"	39.34	
1"	65.67	
1 1/2"	131.31	
2"	210.11	
3"	420.26	
4"	656.57	
6"	1,313.24	
Charge per 1,000 gallons	\$2.06	
Flat Rate		\$ 38.02

General Service

Base Facility Charge		
Meter Size:		
5/8" x 3/4"	\$ 26.23	\$ 13.32
3/4"	39.34	19.96
1"	65.67	33.29
1 1/2"	131.31	66.63
2"	210.11	106.58
3"	420.26	213.18
4"	656.57	333.08
6"	1,313.24	666.11
Charge per 1,000 gallons	\$2.06	\$ 2.95
Flat Rate		\$ 38.02

Note: The above water and wastewater rates were approved, effective July 1, 2009, to address the inclusion of regulatory assessment fees.