

FLORIDA PUBLIC SERVICE COMMISSION  
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MAR 12 1998

MEMORANDUM

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TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (CLAPP) *Clapp*  
DIVISION OF LEGAL SERVICES (FERGUSON) *Ferguson*

RE: DOCKET NO. 971049-SU - ACKNOWLEDGMENT OF EXEMPT STATUS OF  
HOLIDAY OUT AT ST. LUCIE AND CANCELLATION OF CERTIFICATE  
NO. 484-S IN ST. LUCIE COUNTY.

COUNTY: ST. LUCIE COUNTY

AGENDA: MARCH 24, 1998 - REGULAR AGENDA - INTERESTED PERSONS MAY  
PARTICIPATE

CRITICAL DATES: NONE

\*\*SPECIAL INSTRUCTIONS: I:\971049SU.RCM

DOCUMENT NUMBER-DATE

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FPSC - RECORDS/REPORTING

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#### CASE BACKGROUND

Holiday Out at St. Lucie, Inc., (Holiday Out or utility) is a Class C utility serving approximately 891 general service wastewater customers in St. Lucie County, south of Fort Pierce near the Martin County line. The utility's 1996 annual report on file with the Commission lists annual revenues of \$131,313 and net operating earnings of \$35,212. The regulatory assessment fees are current through 1996.

Holiday Out became a jurisdictional utility when the St. Lucie County Commissioners transferred jurisdiction to the Public Service Commission on October 1, 1992. The utility provided service to three adjacent mobile home villages and one general service customer.

On August 14, 1997, Holiday Out filed a letter with this Commission stating that St. Lucie County had established a regional wastewater system and that all customers of the utility had been interconnected to the regional system to receive wastewater service from St. Lucie County. The main mobile home village (also named Holiday Out) interconnected to the county, but retained ownership of its internal collection system. The three adjacent mobile home villages (members of Venture Three, Inc.) and the general service customer were interconnected separately to the county. Tr's recommendation addresses the interconnection of the Holiday Out system to St. Lucie County, and the cancellation of Certificate No. 484-S.

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### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission acknowledge the exempt status of Holiday Out due to the interconnection of its wastewater treatment service to the St. Lucie County Utility Department, and cancel Wastewater Certificate No. 484-S?

**RECOMMENDATION:** Yes, the Commission should acknowledge the exempt status of Holiday Out due to the interconnection of its wastewater treatment service to St. Lucie County Utility Department, and cancel Wastewater Certificate No. 484-S. Pursuant to Rules 25-30.110 and 25-30.120, Florida Administrative Code, by March 31, 1998, Holiday Out should file the 1997 Annual Reports and remit regulatory assessment fees for 1997 through June 1, 1997. (CLAPP)

**STAFF ANALYSIS:** On August 14, 1997, Holiday Out filed a letter with this Commission stating that St. Lucie County had established a regional wastewater system and that all customers of Holiday Out had been interconnected to the regional system to receive wastewater service from St. Lucie County. The main mobile home village (also named Holiday Out) interconnected to the county, but retained ownership of its internal collection system. The adjacent mobile home villages (members of Venture Three, Inc.) and the general service customer were interconnected separately to the count. .

A letter dated October 29, 1997, was received from St. Lucie County Utilities Department verifying that a regional wastewater system had been installed, however, the existing on-site collection system and related appurtenances remained the responsibility of the Holiday Out complex. The St. Lucie County Utilities Department verified on February 19, 1998 that the official interconnection date was June 1, 1997.

After further questioning by staff, the Commission received a letter dated November 26, 1997, from Holiday Out stating it is a condominium association and all utility collection lines are maintained as part of the common elements belonging to all the owners at Holiday Out and that no service is provided to the public. In a subsequent letter of January 13, 1998, Holiday Out indicated it is registered with the Division of Land Sales and Condominiums, Department of Business Regulations in Tallahassee, and all owners at Holiday Out are members of the Holiday Out Condominium Association by virtue of the Declaration of Condominium.

The staff also questioned the continuing operations of the adjacent mobile home villages, collectively known as Venture Three,

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Incorporated. A letter dated February 10, 1998, from Venture Three, Inc., stated that it is a not for profit corporation established to buy, sell, manage, operate, and maintain all common elements for its members. The Articles of Incorporation and Bylaws of Venture Three, Inc., also included in the letter, verifies that the corporation was established for the unit and lot owners of Venture Out at St. Lucie, Inc., Venture Out at Indian River, Inc., and Venture Harbour, Inc. All water and wastewater costs are paid by Venture Three, Inc. All wastewater collection lines are maintained as part of the common elements belonging to all of the owners of Venture Three, Inc. The costs for water, wastewater, and maintenance of the collection lines are billed to the owners in the three mobile home villages as non specific annual fees. No service is provided to the public.

The operations of Holiday Out now meet the provisions of Section 367.022(7), Florida Statutes, and qualify as a non-profit exemption. Therefore, the Staff recommends the Commission acknowledge the system as exempt, and cancel Certificate No. 484-S.

Further, the Utilities Department of St. Lucie County submitted written verification that Holiday Out connected to the county's wastewater facility on June 1, 1997. Holiday Out operated as a utility until the interconnection with the County. Therefore, by March 31, 1998, Holiday Out should file the 1997 Annual Report and remit 1997 regulatory assessment fees through June 1, 1997, pursuant to Rules 25-30.110 and 25-30.120, Florida Administrative Code.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes, no further action is required and this docket should be closed. (FERGUSON)

**STAFF ANALYSIS:** No further action is required and this docket should be closed.