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October 8, 1998

VIA FEDERAL EXPRESS

Ms. Blanca Bayo, Director
Department of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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MAIL ROOM
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DEPARTMENT OF RECORDS & REPORTING
FLORIDA PUBLIC SERVICE COMMISSION

Dear Ms. Bayo:

This letter is in response to the September 24, 1998, letter from Charles H. Hill, containing the September 10, 1998, Memorandum ("Memorandum") by the Department of Community Affairs ("DCA") regarding the Application by United Water Florida Inc. ("United Water Florida") for an Extension, Deletion and Correction of Service Area in Nassau County, Florida, Docket No. 980776-WS ("Application").

As set forth in the Application:

The combination of the original service area of United Water Florida ("United Water Florida Original Area" or "Yulee South Area") with the former service area of Sunray-Nassau ("Sunray Area" or "Yulee North Area") has resulted in the duplication of service areas and gaps in service areas. United Water Florida also has received requests for service from applicants in areas in close proximity to its existing service area and needs to expand its service area in order to be able to serve such applicants. In addition, although the current legal descriptions of the United Water Florida Original Area and the Sunray Area were approved by the Commission, such legal descriptions do not comply with the requirements of Rule 25-30.030(2), Florida Administrative Code ("FAC").

According to the Memorandum, the DCA is concerned about the following four areas:

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CT _____
- EP _____
- LE: 1
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS 1
- OTH _____

DOCUMENT NUMBER-DATE
11139 OCT-9 98 980776
FPSC-RECORDS/REPORTING

1. The area west of Plummers Creek ("Area 1");
2. The area immediately north of the Nassau River and bordered on the west by the CSX Railroad line and on the east by Lofton Creek ("Area 2");
3. Eastern expansion in Township 2 North, Range 28 East ("Area 3"); and
4. Eastern expansion in Township 3 North, Range 28 East ("Area 4").

The approval of United Water Florida's corrected, extended, and deleted service area, as set forth in the Application, including the four referenced areas, is in the public interest. First, the legal description of the proposed service area complies with the Florida Public Service Commission's ("Commission") requirements set forth in Rules 25-30.030(2) and 25-30.036(3)(e), FAC. United Water Florida's extensive use of natural boundaries and section references provides an easier legal description for review and comparison purposes. The proposed service area does not have gaps. Gaps in service areas can cause expensive and time consuming problems.

The approval of the Application will also have other benefits. One benefit is that existing septic tank users will be connected to United Water Florida's centralized wastewater system, which is clearly in the public interest. For example, in Area 3, United Water Florida received an application for service for a restaurant. The restaurant is using a septic tank which will be taken out of service when the restaurant is connected to United Water Florida's system. Another benefit is that the approval will add planned development to United Water Florida's service area. A subdivision in Area 4 requested service from Sunray Utilities-Nassau, Inc., for 272 single family residences. It is United Water Florida's understanding that the subdivision has been through the Nassau County planning process and construction of 49 home sites already has commenced. Approval of the Application will include this previously approved subdivision in United Water Florida's service area. In Area 1, United Water Florida has received an application for service for 800 acres. A copy of the application for service is enclosed.

United Water Florida has requested a service area which is as clear as possible. United Water Florida responded to Staff's requests for a corrected service area with the Application. United Water Florida also revised the proposed legal description of the service area by eliminating a reference to Edwards Road as requested by Staff and instead used a description based on portions of sections. The requested service area squares off United Water Florida's service area and results in a legal description of its service area which is simpler, easier to understand, and easier to plot on a map than a legal description using plats and recorded references or based primarily on metes and bounds descriptions. It is in the public interest for the public to be able to understand the extent of a utility company's service area, for the

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Commission to be able to easily plot the service area on its statewide maps, and for the utility company to easily explain and refer to its service area.

The DCA's proposed approach would result in service areas being comprised of a series of complex legal descriptions like the one attached to the application for service. Furthermore, it is likely that gaps would develop between "areas of urban development" through the use of such a series of legal descriptions. A utility company's system runs between its plants and its customers and even runs through territory which is not an "area of urban development." The DCA's approach would result in a service area consisting of patches of territory separated by gaps. DCA's proposed service area would not include the gaps between urban developments, even if the company's lines were located in the gaps or, as in this case, there is only one water and wastewater utility system in the immediate area. It is not in the public interest to use the DCA's approach.

The Memorandum indicates that the DCA believes that central water and wastewater service should only be provided in areas of urban development. Accordingly, DCA's approach promotes the use of septic tanks in other areas. Promotion of the use of septic tanks is contrary to the Florida Legislature's policy. The Florida Legislature has established a statutory scheme to reduce the number of septic tanks. In adopting Section 381.00655, Florida Statutes, the Florida Legislature has required the owners of septic tanks to connect to sewer systems when the systems are available.

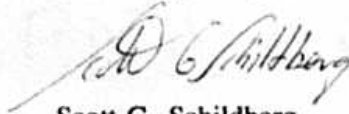
United Water Florida provides service to the development in its service area in accordance with the rules of the Commission and the provisions of its tariff. If the landowners in its service area can only develop their property in a limited manner because the land is classified as Agricultural, Rural and Wetlands, then United Water Florida will only serve the limited development. In Area 2, United Water Florida squared off its service area with the Nassau River even though there is substantial wetlands by the river. If a property were nondevelopable wetlands, there will not be any development for United Water Florida to serve. However, the use of the river is helpful for establishing United Water Florida's service area. Changing the development level of a property is regulated by zoning and the amendment of local comprehensive plans: such rights should be regulated in that context and not in an application for an extension of service area. The need to comply with zoning and local comprehensive plans was acknowledged by the applicant for service in its statement that it needs to get a "Comp Plan Amendment to change the designation to 'Low Density Residential.'"

United Water Florida has devoted a great deal of time and expense to correct the legal descriptions of the service areas in Nassau originally granted by the Commission for its service area in Nassau County. The description of its Combined Service Area used by United Water Florida does not rely on references to government lots, local streets, recorded plants or lots, tracts, or other recorded instruments. Instead, as required by Rules 25-30.030(2) and 25-

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30.036(3)(e), FAC, United Water Florida used section descriptions together with some metes and bounds descriptions to prepare a legal description of its service area without gaps or duplication. It is in the public interest to approve the service area in the Application.

Sincerely yours,



Scott G. Schildberg

SGS:cwb
Enclosure

cc: Mr. Gary R. Moseley
Mr. Randall W. Corbin



SURVEYORS
&
LAND PLANNERS

PRIVETT & ASSOCIATES, INC.
200 SHADOWLAWN DRIVE
ST. MARYS, GEORGIA 31558

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JUN 03 1998

UNITED WATER FLORIDA

Telephone: 912/882-3738
Fax: 912/882-2729

May 26, 1998

LEGAL DESCRIPTION OF THE PLUMMERS CREEK PROJECT IN SECTIONS 11, 12, 13 AND 14, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA.

FOR: RAYLAND COMPANY, INC.

ALL THAT CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING IN SECTIONS 11, 12, 13 AND 14, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR A POINT OF BEGINNING COMMENCE AT THE POINT WHERE THE EASTERLY RIGHT-OF-WAY LINE OF EDWARDS ROAD (AN 80-FOOT RIGHT-OF-WAY AS NOW ESTABLISHED) INTERSECTS THE CURVED SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 200/A-1-A (A VARIABLE WIDTH RIGHT-OF-WAY AS MONUMENTED) AND RUN IN AN EASTERLY DIRECTION ALONG THE ARC OF A CURVE IN SAID SOUTHERLY RIGHT-OF-WAY LINE, SAID CURVE BEING CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.58 FEET, A CHORD DISTANCE OF 1213.96 FEET TO THE POINT OF TANGENCY OF SAID CURVE, THE BEARING OF THE AFOREMENTIONED CHORD BEING NORTH 78°-20'-43" EAST, RUN THENCE NORTH 72°-19'-01" EAST, CONTINUING ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD NO. 200/A-1-A, A DISTANCE OF 972.07 FEET TO A ONE-HALF INCH IRON PIPE AT THE WESTERLY MEAN HIGH WATER LINE OF PLUMMERS CREEK FOR A POINT HEREAFTER CALLED POINT "A"; THENCE RETURN TO THE POINT OF BEGINNING AND RUN SOUTH 08°-11'-00" EAST, ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID EDWARDS ROAD, A DISTANCE OF 890.87 FEET TO A POINT OF CURVATURE; RUN THENCE IN A SOUTHERLY DIRECTION ALONG THE ARC OF A CURVE IN SAID EASTERLY RIGHT-OF-WAY LINE, SAID CURVE BEING CONCAVE EASTERLY AND HAVING A RADIUS OF 4006.70 FEET, A CHORD DISTANCE OF 850.76 FEET TO THE POINT OF TANGENCY OF SAID CURVE, THE BEARING OF THE AFOREMENTIONED CHORD BEING SOUTH 14°-16'-40" EAST; RUN THENCE SOUTH 20°-22'-20" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 277.95 FEET TO A POINT OF CURVATURE; RUN THENCE IN A SOUTHERLY DIRECTION ALONG THE ARC OF A CURVE IN SAID EASTERLY RIGHT-OF-WAY LINE, SAID CURVE BEING CONCAVE WESTERLY AND HAVING A RADIUS OF 3859.75 FEET, A CHORD DISTANCE OF 965.28 FEET TO THE POINT OF TANGENCY OF SAID CURVE, THE BEARING OF THE AFOREMENTIONED CHORD BEING SOUTH 13°-11'-20" EAST; RUN THENCE SOUTH 06°-00'-20" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 2634.11 FEET TO A POINT; RUN THENCE SOUTH 06°-30'-20" EAST, CONTINUING

ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1387.83 FEET TO A POINT ON A SOUTHERLY LINE OF LANDS NOW OR FORMERLY OF RAYLAND COMPANY, INC. ACCORDING TO DEED RECORDED IN BOOK 579, PAGE 407 OF THE OFFICIAL RECORDS OF SAID COUNTY; RUN THENCE THE FOLLOWING FOUR (4) COURSES ALONG SAID SOUTHERLY LINE; NORTH 89°-28'-47" EAST, A DISTANCE OF 347.04 FEET TO A POINT; NORTH 88°-55'-34" EAST, A DISTANCE OF 415.56 FEET TO A POINT; NORTH 88°-51'-56" EAST, A DISTANCE OF 769.07 FEET TO A POINT; NORTH 88°-53'-14" EAST, A DISTANCE OF 523.40 FEET TO A POINT; RUN THENCE SOUTH 01°-20'-31" EAST, A DISTANCE OF 761.38 FEET TO A POINT ON THE NORTHERLY LINE OF NASSAU LANDING SUBDIVISION; RUN THENCE THE FOLLOWING THREE (3) COURSES ALONG LAST MENTIONED NORTHERLY LINE; SOUTH 73°-16'-31" EAST, A DISTANCE OF 1281.46 FEET TO A POINT; SOUTH 73°-14'-27" EAST, A DISTANCE OF 40.00 FEET TO A POINT; SOUTH 73°-14'-27" EAST, A DISTANCE OF 1054.65 FEET TO A POINT; RUN THENCE THE FOLLOWING EIGHT (8) COURSES NORTH 06°-58'-18" EAST, A DISTANCE OF 597.82 FEET TO A POINT; NORTH 69°-33'-54" EAST, A DISTANCE OF 269.44 FEET TO A POINT; SOUTH 01°-35'-10" EAST, A DISTANCE OF 285.21 FEET TO A POINT; NORTH 76°-32'-47" EAST, A DISTANCE OF 627.55 FEET TO A POINT; NORTH 38°-28'-33" WEST, A DISTANCE OF 305.90 FEET TO A POINT; NORTH 48°-03'-14" WEST, A DISTANCE OF 311.24 FEET TO A POINT; NORTH 13°-28'-05" EAST, A DISTANCE OF 812.21 FEET TO A POINT; SOUTH 83°-21'-44" EAST, A DISTANCE OF 325 FEET, MORE OR LESS, TO THE WESTERLY MEAN HIGH WATER LINE OF PLUMMERS CREEK THAT BEARS SOUTH 31°-29'-45" EAST, 8330.52 FEET FROM SAID POINT "A"; RUN THENCE GENERALLY IN A NORTHERLY DIRECTION ALONG THE MEANDERINGS OF THE WESTERLY MEAN HIGH WATER LINE OF PLUMMERS CREEK, A DISTANCE OF 14,475 FEET, MORE OR LESS TO SAID POINT "A"; RUN THENCE SOUTH 72°-19'-01" WEST, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD NO 200/A-1-A, A DISTANCE OF 972.07 FEET TO A POINT OF CURVATURE; RUN THENCE IN A WESTERLY DIRECTION ALONG THE ARC OF A CURVE IN SAID SOUTHERLY RIGHT-OF-WAY LINE, SAID CURVE BEING CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.58 FEET, A CHORD DISTANCE OF 1213.96 FEET TO THE POINT OF BEGINNING, THE BEARING OF THE AFOREMENTIONED CHORD BEING SOUTH 78°-20'-43" WEST.

LESS AND EXCEPT 48.59 ACRES IN THE SOUTHEAST QUADRANT OF THE ABOVE DESCRIBED LANDS

THE LAND THUS DESCRIBED CONTAINS 716 ACRES, MORE OR LESS AND IS SUBJECT TO ANY EASEMENTS OF RECORD LYING WITHIN.

