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: June 27, 2007

TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk

FROM: Shannon J. Hudson, Regulatory Analyst IV, Division of Economic Regulation

RE: Docket No. 050862-WU - Application for a staff-assisted rate case in Marion County by County-Wide
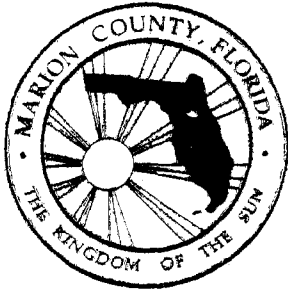
Attached is a letter from Patrick G. Howard of the Marion County Board of County Commissioners. Please include it in the above-mentioned docket file.

Thanks.

eMarion County
Board of County Commissioners
County eAdministrator's Office
601 S.E. 25th eAvenue, Ocala, Florida 34471-2690
(352) 438-2300 -- Fax: (352) 438-2309

June 21, 2007

Mr. Gerald Edwards
Florida Public Service Commission
Division of Economic Regulation
Capitol Circle Office Center
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

RE: Docket No. 050862

Dear Mr. Edwards:

Mr. Leeward, owner of County-Wide Utility Co.. Inc., has asked that I provide Marion County staff perspective regarding the Florida Public Service Commission's conclusion that the interconnection of his Bahia Oaks water system with the City of Ocala was not necessary or prudent (Docket Memorandum dated May 10, 2007, page 10).

Upon review of the information provided by Mr. Leeward, I offer the following comments:
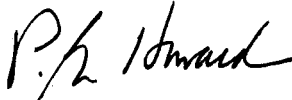
1) If constructed today, a wellfield in the current location would not be permitted by state law, as it would pose a potential threat to human health, safety, and welfare. Specifically, it would violate minimum setback requirements due to proximity to septic systems (per Chapter 62-555.312, F.A.C.). While the system is "grandfathered" and therefore not "required" to be replaced, it does not necessarily preclude the determination that the replacement of such system is not prudent, particularly in this situation given the fact that the wells are relatively shallow and hence more susceptible to contamination of nearby pollution sources.

2) It is policy of the Marion County Comprehensive Plan that the County institute guidelines for requiring existing water treatment plants to connect to a regional or sub-regional system when these systems are available and are economically feasible (see Potable Water Sub-Element Policy 2.2). It is reasonable to assume that the action taken to interconnect the Bahia Oaks water system to the City of Ocala's system is consistent with the policy intent of the Marion County Comprehensive Plan.

3) The interconnection will likely result in customers in Bahia Oaks receiving a higher quality of water, including water that is softened, PH adjusted, fluoridated, filtered, and disinfected. In addition, the extraordinarily high nitrate nitrogen levels at the Bahia Oaks location (3.9 ppm, as reported in 2005) are almost 250% higher than the City's water (1.6 ppm), and over 2000% higher than what is conservatively considered to be natural background levels (0.2 ppm). Given the density and age of the septic systems surrounding the wellfield, it is highly likely that they are a significant source of this nitrate. The provision of water that is higher in quality and lower in pollutant contamination can be considered prudent.

4) Finally, I concur with Fire Marshal Paul Nevel's statement that the improvements made through interconnection enhance public safety through improved fire protection (see subject Docket letter dated May 30, 2007).   Prior to interconnecting the system, Bahia Oaks had no fire hydrants or capacity to provide fire protection. With the interconnection, fire protection through the installation of fire hydrants is now available to a vast majority of the customers. Marion County is continually expanding its central water services, in part for this very reason; so from this perspective, the interconnection would further seem prudent.

If you have any questions, please feel free to contact me at any time.

Sincerely,

P.G. Howard

Patrick G. Howard
County Administrator