

1           BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
 2           PREPARED DIRECT TESTIMONY OF HAMPTON P. CONLEY  
 3           ON BEHALF OF SANLANDO UTILITIES CORPORATION  
 4                           DOCKET NO. 930256-WS  
 5                           MAY 1994

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7 Q1: Please state your name, business address, and occupation.

8

9 A1: Hampton P. Conley  
 10 Sanlando Utilities Corporation  
 11 P.O. Box 3884  
 12 Longwood, Florida 32791  
 13  
 14 Utility General Manager

15

16 Q2: Please describe your position with your employer and your  
 17 duties and responsibilities in that position.

18

19 A2: As Executive Vice President I am directly responsible to  
 20 the owners for the day to day operation of the utility.  
 21 This includes customer service, billing, dealing with  
 22 regulatory agencies, personnel management, budget  
 23 preparation, budget execution, operation and maintenance  
 24 of the system.

25

1 Q3: Please summarize your background and experience.

2

3 A3: I received my Bachelor of Science Degree in Engineer  
4 Technical Operations from Clemson University in 1972. My  
5 Master of Science in Public Administration was conferred  
6 by Troy State University in 1976. I spent 26 years in  
7 the Army Corps of Engineers and attained the rank of  
8 colonel. Assignments with the Army Engineers included  
9 all aspects of construction management including site  
10 supervision, construction inspection, design, budgeting  
11 and contract administration. My last military assignment  
12 was as Public Works Director for Fort Sill, Oklahoma. I  
13 have been in my current position since June 1992.

14

15 Q4: What is the purpose of your testimony?

16

17 A4: My testimony will explain the history behind Sanlando  
18 Utilities Corporation's Proposed Water Reuse Program  
19 which was the subject of its Petition for Limited  
20 Proceeding to Implement Water Conservation Plan filed by  
21 Sanlando Utilities Corporation before the Florida Public  
22 Service Commission (PSC).

23

24 Q5: Have you prepared or are you sponsoring any exhibits to  
25 this case?

1 A5: No.

2

3 Q6: What led to Sanlando Utilities Corporation filing its  
4 petition in this matter?

5

6 A6: On November 27, 1990 the PSC issued Order No. 23809  
7 requiring Sanlando to submit a plan detailing actions it  
8 would take to implement water conservation initiatives.  
9 In August 1991 the PSC approved in part and denied in  
10 part the plan submitted by Sanlando.

11

12 On November 7, 1991, The Florida Department of  
13 Environmental Regulation, now Florida Department of  
14 Environmental Protection (DEP), received a request for  
15 administrative hearing from Petitioner's Friends of the  
16 Wekiva and Florida Audubon Society. The petition  
17 challenged DEP's decision to issue the operating permit  
18 for the Wekiva wastewater treatment plant to Sanlando.

19

20 In April, 1992, a settlement stipulation was agreed to by  
21 all parties. On July 10, 1992, DEP issued Operating  
22 Permit Number D059-200447 to Sanlando Utilities  
23 Corporation authorizing Sanlando to continue operating  
24 its Wekiva wastewater treatment plant. Paragraphs 3 and  
25 4 of this permit require Sanlando to enter into

1 preliminary discussions with Florida Public Service  
2 Commission Staff and Commissioners to determine if the  
3 Public Service Commission would allow implementation of  
4 reuse water conservation rates to provide capital funding  
5 for the construction of necessary improvements to further  
6 treat and deliver reclaimed wastewater to three golf  
7 courses.

8  
9 On September 21, 1992, Sanlando filed an addendum to its  
10 water conservation plan. The addendum presented the  
11 reuse plan required by the DEP Operating Permit. By PSC  
12 Order No. 92-1356-FOF-WS, issued on November 23, 1992,  
13 the PSC approved the revised conservation plan submitted  
14 by Sanlando and mandated that Sanlando file a Limited  
15 Proceeding to Implement the Conservation Plan.

16  
17 Sanlando complied with this order by filing a Petition  
18 for Limited Proceeding to Implement Water Conservation  
19 Plan on March 10, 1993.

20

21 Q7: Will you explain the business reasons for Sanlando  
22 Utilities Corporation filing a petition for an inverted  
23 rate structure which requires collection of monies in  
24 advance of the installation of the infrastructure which  
25 is being paid for by the monies collected?

1 A7: Sanlando Utility Corporation does not have the financial  
2 ability to fund the construction. Borrowing for this  
3 utility is only available if the shareholders provide  
4 personal guarantees in connection therewith.

5

6 Q8: What business purpose is served by constructing a reuse  
7 system and providing reclaimed water for irrigation  
8 purposes to customers of Sanlando Utilities Corporation?

9

10 A8: The main benefit is a long term reduction in the amount  
11 of water being withdrawn from the Floridan Aquifer. The  
12 combined average withdrawal of the golf courses is over  
13 one million gallons per day. This plan reduces the  
14 potential to have to go to more expensive alternatives to  
15 provide water in the future.

16

17 Q9: What operational benefits will be served by constructing  
18 a reuse system and providing reclaimed water for  
19 irrigation purposes to customers of Sanlando Utilities  
20 Corporation?

21

22 A9: There is no operational benefit. We still will discharge  
23 approximately 50% of our effluent to Sweetwater Creek and  
24 will still need our National Pollutant Discharge  
25 Elimination System Permit.

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1 Q10: Does this conclude your testimony?

2

3 A10: Yes.