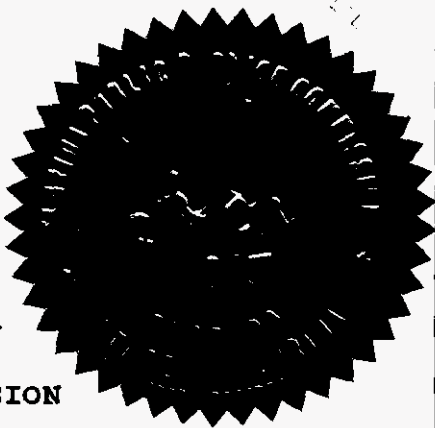


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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of : DOCKET NO.

Application for a rate increase and : 950495-WS
 increase in service availability charges:
 by SOUTHERN STATES UTILITIES, INC. for :
 Orange-Osceola Utilities, Inc. in :
 Osceola County, and in Bradford, Brevard:
 Charlotte, Citrus, Clay, Collier, Duval, :
 Highlands, Lake, Lee, Marion, Martin, :
 Nassau, Orange, Osceola, Pasco, Putnam, :
 Seminole, St. Johns, St. Lucie, Volusia :
 and Washington Counties. :



NINTH DAY - EARLY AFTERNOON SESSION

VOLUME 35

Pages 3996 through 4186

PROCEEDINGS: HEARING

BEFORE: CHAIRMAN SUSAN F. CLARK
 COMMISSIONER J. TERRY DEASON
 COMMISSIONER JULIA L. JOHNSON
 COMMISSIONER DIANE K. KIESLING
 COMMISSIONER JOE GARCIA

DATE: Thursday, May 9, 1996

TIME: Reconvened at 12:30 p.m.

PLACE: Betty Easley Conference Center
 Room 148
 4075 Esplanade Way
 Tallahassee, Florida

REPORTED BY: SYDNEY C. SILVA, CSR, RPR
 Official Commission Reporter

APPEARANCES:

(As heretofore noted.)

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NUMBER	ID.	ADMTD.
202		4147
203 (Rodriguez) BRR-1 and BRR-2	4041	4092
204 (Faircloth) JLF-1	4113	4135
205 (Late-Filed) (Faircloth) Copy of Certified Receipt for Letter Contained in Exhibit 204	4134	
206 (Kowalsky) CHK-6	4149	
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208 (Kowalsky) Selected Invoices and Letters, Image Marketing Associates, Inc.	4181	

P R O C E E D I N G S

(Hearing reconvened at 12:35 p.m.)

(Transcript follows in sequence from
Volume 34.)

CHAIRMAN CLARK: We are ready to reconvene
the hearing. Let me just ask the people in
Jacksonville, we have on our list the following people
to be questioned at this time as witnesses in this
proceeding: Wilkening, Rodriguez, Smeltzer and
Faircloth.

UNIDENTIFIED SPEAKER: Correct.

CHAIRMAN CLARK: And you are all there at
this time?

UNIDENTIFIED SPEAKER: Yes. Yes, we are.

CHAIRMAN CLARK: What I need you to do at
this point is stand up and raise your right hand and I
will swear you in.

(Witnesses collectively sworn.)

CHAIRMAN CLARK: Staff, would you let me
know the order? Is the order of the witnesses first
Mr. Wilkening, who I think has been called by Southern
States?

MR. ARMSTRONG: Yes, Madam Chairman.

CHAIRMAN CLARK: Okay. Go ahead,
Mr. Armstrong.

1 Mr. Wilkening, we will start with you.

2 - - - - -

3 HAROLD A. WILKENING

4 was called via teleconferencing as a rebuttal witness
5 on behalf of Southern States Utilities, Inc. and,
6 having been duly sworn, testified as follows:

7 DIRECT EXAMINATION

8 BY MR. ARMSTRONG:

9 Q Good afternoon, Mr. Wilkening.

10 A Good afternoon.

11 Q Do you have before you eight pages which
12 constitutes the prefiled rebuttal testimony you
13 prepared in this proceeding?

14 A Yes, I do.

15 Q Do you have any changes you would like to
16 make to that testimony?

17 A Yes, I do. I have one change on Page 5,
18 Line 21.

19 Q Could you provide that change, please.

20 A Yes. The language that says that the,
21 starting on Line 21 where it says, "approved by
22 SJRWMD," I want to change that to say, "provides
23 enhancements to the existing conservation program
24 previously permitted by SJRWMD."

25 And by way of clarification on this, we have

1 not actually permitted this specific conservation plan
2 that's subject to this hearing. We have permitted
3 previous conservation plans under existing permits and
4 will be considering this conservation plan under
5 pending permits and upcoming permits for SSU. This
6 just clarifies we have not actually permitted this
7 particular specific water conservation plan at this
8 time.

9 MR. PELLEGRINI: Would Mr. Wilkening
10 describe the change one more time?

11 CHAIRMAN CLARK: Mr. Wilkening, we need you
12 to describe the change again.

13 WITNESS WILKENING: All right. Where -- let
14 me just read the response as corrected: "Yes. SSU's
15 program enhancements include a set of conservation
16 practices that is supported by SJRWMD, provides
17 enhancements to the existing conservation program
18 previously permitted by SJRWMD," and the rest will
19 remain the same.

20 CHAIRMAN CLARK: Okay. Go ahead,
21 Mr. Armstrong.

22 MR. ARMSTRONG: Okay.

23 Q (By Mr. Armstrong) With that change, if I
24 asked you the remaining questions in the eight pages,
25 would your answers be the same?

1 A Yes, it would.

2 MR. ARMSTRONG: Madam Chair, we request that
3 the eight pages of prefiled rebuttal testimony be
4 incorporated into the record as though read.

5 CHAIRMAN CLARK: The prefiled rebuttal
6 testimony of Harold Wilkening will be inserted in the
7 record as though read.

8 MR. ARMSTRONG: Thank you.

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1 Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

2 A. My name is Harold A. Wilkening, III. My Business
3 address is St. Johns River Water Management
4 District, Post Office Box 1429, Palatka, Florida
5 32175-1429.

6 Q. WHO IS YOUR CURRENT EMPLOYER AND WHAT IS YOUR
7 POSITION?

8 A. I am the Assistant Director, Department of Resource
9 Management for the St. Johns River Water Management
10 District ("SJRWMD").

11 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND
12 EXPERIENCE?

13 A. I received a Bachelor's Degree in Civil Engineering
14 from the University of Delaware in 1979 and a
15 Master's Degree in Water Resources Engineering from
16 the University of Maryland in 1982. I then worked
17 for 4 years as a water resources engineer with
18 SJRWMD, during which my responsibilities included
19 conducting floodplain and flood control studies,
20 agricultural water use investigations, project
21 management of the Upper St. Johns Flood Control
22 project, and development of engineering criteria
23 for the SJRWMD Management and Storage of Surface
24 Waters (MSSW) rule. I then worked for about 2
25 years as a Civil Engineer with the U.S. Army Corps

1 of Engineers, planning and managing Federal flood
2 control projects in Florida, Georgia, and Puerto
3 Rico. I returned to SJRWMD in 1987 as Chief
4 Engineer of the Department of Resource Management,
5 where I supervised all engineering conducted as
6 part of the SJRWMD's Management and Storage of
7 Surface Waters and Consumptive Use Permitting
8 programs. In 1993, I assumed the position of
9 Assistant Department Director. I have been a
10 registered Professional Engineer in the State of
11 Florida since 1986.

12 **Q. WOULD YOU PLEASE DESCRIBE YOUR PRESENT DUTIES AS**
13 **ASSISTANT DIRECTOR IN THE DEPARTMENT OF RESOURCE**
14 **MANAGEMENT.**

15 A. I am primarily responsible for directing the
16 SJRWMD's water supply planning and regulatory
17 programs, including Consumptive Use Permitting,
18 Water Well Construction Permitting, Water Supply
19 Needs and Sources, and Groundwater Resource
20 Investigations. Working under the general
21 oversight of the Department Director, I conduct
22 those management duties necessary to implement
23 these programs, including the following: rule
24 development, interpretation of rules, review and
25 approval of staff recommendations on permit

1 applications, review and approval of water supply
2 investigations and studies, and presentations to
3 the SJRWMD governing board, regulated users, and
4 the general public.

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. The purpose of my testimony is to recommend that
7 SSU should be allowed to recover the costs for its
8 proposed conservation program as submitted in this
9 case and to rebut certain portions of the Testimony
10 of Kim Dismukes filed on behalf of the Office of
11 Public Counsel regarding SSU's proposed
12 conservation program. I will also respond to
13 portions of the testimony of Office of Public
14 Counsel ("OPC") witness Ted Bidy that facilities
15 dedicated to reuse should not be considered 100%
16 used and useful.

17 **Q. WHAT ARE SJRWMD'S OBJECTIVES REGARDING WATER**
18 **CONSERVATION?**

19 A. SJRWMD's goal for water supply is to ensure the
20 availability of an adequate and affordable supply
21 of water for all reasonable-beneficial uses while
22 protecting the water and related resources of the
23 District. To achieve this goal, SJRWMD's objective
24 for water conservation is for all water users to
25 implement all feasible water conservation

1 practices. This is very strategic in maximizing
2 the use of existing potable water supplies to the
3 largest number of users and limiting future water
4 supply problems that will typically result in
5 significantly higher costs for water. For this
6 reason, we seek to promote and establish water
7 conservation through our water use regulatory
8 program, our water supply planning (Needs and
9 Sources), and public outreach program. Since a
10 large percentage of the water use in SJRWMD is for
11 public supply, we believe that it is necessary to
12 encourage and assist all citizens to develop water
13 conserving habits. We have extensive public
14 education materials which we share with utilities
15 so that they can distribute these materials to
16 their customers.

17 **Q. IS WATER CONSERVATION NECESSARY IN AREAS THAT ARE**
18 **NOT PRESENTLY EXPERIENCING WATER RESOURCE PROBLEMS?**

19 A. Yes. Water conservation is important to all
20 citizens of Florida. SJRWMD advocates implementing
21 conservation in all areas of our district
22 regardless of whether water supply problems in that
23 area have become critical for the reasons I
24 discussed in the previous question.

25 **Q. DOES SJRWMD HAVE ANY SPECIFIC RULES THAT REQUIRE**

1 **UTILITIES TO IMPLEMENT CONSERVATION MEASURES?**

2 A. Yes. Rule 40C-2.301 (4)(e) provides, "All
3 available water conservation measures must be
4 implemented unless the applicant demonstrates that
5 implementation is not economically, environmentally
6 or technologically feasible." Appendix K to
7 SJRWMD's *Applicant's Handbook: Consumptive Uses of*
8 *Water*, provides a list of water saving measures
9 applicants may incorporate in their water
10 conservation plan, including implementation of an
11 indoor plumbing retrofit program, and
12 implementation of a rain sensor device distribution
13 program.

14 **Q. HAVE YOU REVIEWED SSU'S WATER CONSERVATION PROGRAM**
15 **ENHANCEMENTS AS PROPOSED IN THIS RATE CASE?**

16 A. Yes.

17 **Q. DOES SJRWMD SUPPORT SSU'S PROPOSED CONSERVATION**
18 **PROGRAM ENHANCEMENTS?**

19 A. Yes. SSU's program enhancements includes a set of
20 conservation practices that is supported by SJRWMD, *Provides*
21 ~~enhancement to the existing conservation program, previously~~
21 ~~permitted~~ *approved* by SJRWMD in SSU's permits as sufficient
22 to meet the water conservation provisions of the
23 SJRWMD CUP rule, and consistent with
24 recommendations of the American Water Works
25 Association to contribute to a reduction in public

1 supply water use. As a result, we believe that SSU
2 should be allowed to recover the costs for its
3 proposed conservation plan.

4 **Q. DO YOU HAVE ANY OPINION REGARDING THE BENEFITS OF**
5 **SIMILAR CONSERVATION PROGRAMS IMPLEMENTED BY OTHER**
6 **UTILITIES WITHIN SJRWMD?**

7 A. Our experience indicates that conservation programs
8 such as the one proposed by SSU are beneficial in
9 developing a conservation ethic among water
10 customers. While we do not yet have adequate data
11 to demonstrate the per capita benefits of each
12 specific water conservation practice for utilities
13 within SJRWMD, our opinion is that such programs
14 are necessary to make the case that public supply
15 is a reasonable-beneficial use and therefore
16 entitled to a consumptive use permit. The customer
17 surveys proposed as part of SSU's program are an
18 important step to gaining further valuable
19 information about the benefits of specific water
20 conservation measures.

21 **Q. DOES SJRWMD HAVE ANY REQUIREMENTS FOR IMPLEMENTING**
22 **REUSE OF RECLAIMED WATER?**

23 A. Yes. Rule 40C-2.301 (4)(f) provides, "When
24 reclaimed water is readily available it must be
25 used in place of higher quality water sources

1 unless the applicant demonstrates that its use is
2 either not economically, environmentally or
3 technologically feasible." This provision is part
4 of the reasonable-beneficial use criteria. SJRWMD
5 requires utilities to submit a reuse feasibility
6 study with their consumptive use permit
7 application. We review those feasibility studies
8 in detail to ascertain whether we can match
9 potential end users with the reclaimed water
10 utility providers. SJRWMD very recently adopted
11 amendments to our Consumptive Use Rule governing
12 the duration of consumptive use permits. This rule
13 states that utilities may be eligible for
14 significantly longer duration permits when the
15 utility provides reclaimed water to other water
16 users.

17 **Q. SHOULD FACILITIES NECESSARY TO PROVIDE REUSE BE**
18 **CONSIDERED 100% USED AND USEFUL?**

19 A. Yes. Facilities that are constructed and operated
20 to provide reuse should be considered 100% used and
21 useful. Such facilities, whether serving existing
22 or future customers, serve to benefit the general
23 public because potable water supplies are
24 conserved. From our standpoint at SJRWMD, it is
25 very important to allow utilities full recovery of

1 the costs of these facilities in accordance with
2 the consumptive use permit program so that the goal
3 of utilizing reclaimed water to the greatest extent
4 possible can be achieved. If the FPSC does not
5 allow full recovery of these costs, they will be
6 impeding this critical goal of SJRWMD and the State
7 of Florida.

8 **Q. DOES THAT CONCLUDE YOUR PRE-FILED TESTIMONY?**

9 A. Yes, it does.

1 MR. ARMSTRONG: The witness has no exhibits,
2 Madam Chair, so he is available --

3 Q (By Mr. Armstrong) Mr. Wilkening, do you
4 have a summary?

5 A Yes, I do.

6 Q Could you provide that now, please.

7 A Yes, I would be happy to.

8 Good afternoon, Madam Chairman and
9 Commission members. My name is Harold Wilkening; I'm
10 the Assistant Director of the Department of Resource
11 Management with the St. Johns Water Management
12 District. I have 14 years of water resources
13 engineering and management in Florida, primarily with
14 St. Johns. I'm a Registered Professional Engineer.

15 In my current position with St. Johns, I
16 provide oversight of the water supply planning and
17 regulation at the Water Management District.

18 I'm happy to provide testimony concerning
19 our rules and regulations as it relates to this
20 hearing. I'm providing this testimony at the request
21 of SSU, who holds a number of consumptive use permits
22 with the district, and also testimony -- testifying in
23 response to our MOU with the PSC in which we are
24 committed to providing technical support on water
25 management issues.

1 I first want to say that the Water
2 Management District mandate for water supply is
3 twofold. First, we are charged to ensure the
4 availability of an adequate and affordable supply of
5 water for all reasonable beneficial uses within our
6 district.

7 Secondly, and equally important with that
8 commission, is to protect the water resources of the
9 district. We do that through water supply
10 investigations, through water supply planning and
11 through water use regulation.

12 We have recently completed a comprehensive
13 water supply plan and assessment for our district. In
14 that plan, we looked at the water supply needs of the
15 Water Management District over the next 20 years and
16 we looked at the sources that would be available to
17 provide these demands.

18 I want you to be aware that in our district
19 over the next 20 years we anticipate that public
20 supply demand for the existing water resources in our
21 district is expected to increase by about 80%. We
22 have identified priority water resource caution areas
23 within our district. These are areas where we have
24 projected that there will be unacceptable impacts to
25 water resources if these future demands are supplied

1 from existing sources in a manner in which water
2 supply utilities plan to use them.

3 These unacceptable impacts include saltwater
4 intrusion, significant impacts to wetlands and natural
5 resources in violation of minimum flows and levels
6 which we have been statutorily mandated to determine
7 and establish.

8 In our particular district, we have about
9 30% of the area, total area of the district, which is
10 considered a priority water resource caution area; and
11 in those areas we are embarking on a very aggressive
12 program to investigate alternative water supplies to
13 traditional sources, which in our district is
14 primarily the Upper Floridan Aquifer.

15 We anticipate these sources will be more
16 costly to develop than the Upper Floridan Aquifer;
17 and, therefore, we are proceeding with a number of
18 feasibility investigations to assist water supply
19 utilities to meet their future demands in the most
20 cost-effective manner.

21 Four utilities that SSU has included in
22 their priority water conservation area -- or water
23 conservation plan are included in our water resource
24 caution area.

25 The legislature has given us, the Water

1 Management District, the DEP and the PSC, clear
2 direction on water conservation and reuse. And that
3 is that water conservation and reuse of reclaimed
4 water are state objectives and clearly in the public
5 interest.

6 Our governing board has clearly and strongly
7 supported conservation and reuse, even prior to the
8 legislature giving us this direction. That is
9 reflected in our consumptive use permitting rules.
10 These rules provide for allocation of water to all
11 reasonable beneficial use.

12 The purpose of this program is to allow for
13 the continued growth and development of the state.
14 Through this permitting program, certainty is provided
15 to water users when they obtain their permit that they
16 will have a supply of water under the duration of
17 their permit, and this will allow for water users to
18 proceed with economic investment and development.

19 To receive these benefits under the program,
20 water users must demonstrate that their use is
21 reasonable and beneficial. An important part of this
22 test is the showing that the use is not wasteful, it
23 is not -- and it is efficient. Thus, under our rule,
24 we have very clear provisions that provide that all
25 feasible water conservation measures must be

1 implemented; that reclaimed water must be used or
2 provided to other users if feasible; and that the
3 lowest quality source that's acceptable for the use be
4 used when feasible.

5 While these water conservation requirements
6 may result in incremental costs to water supply now,
7 we believe -- and I believe personally -- that they
8 are very strategic in maximizing existing sources and
9 limiting future water supply problems that we believe
10 will typically result in significantly higher costs
11 for both existing and future water users.

12 The water conservation program proposed by
13 SSU in this case is necessary and appropriate to
14 comply with our regulations and is the type of water
15 conservation program that we believe is going to be
16 the standard for utilities across our district and in
17 our -- especially in our water resource caution area.

18 Regarding reuse. We all agree that reuse
19 should be done; that it can be done; and it must be
20 done. I believe the challenge with reuse is in the
21 details. Our experience is that much effort is
22 required to coordinate between water suppliers and the
23 end users of reclaimed water.

24 Often, timing is critical in making a reuse
25 project feasible. By that, I mean that certain

1 components of a reuse project may need to be
2 constructed prior to the entire project being
3 completed or the end use of that reclaimed water
4 occurring.

5 When a reuse project is determined to be
6 feasible and required under a consumptive use permit
7 or a DEP permit, I believe it should be considered a
8 reasonable and appropriate cost. I believe that it is
9 critical that water utilities be able to recover their
10 portion of the costs associated with reuse plans.

11 In summary, I believe that SSU's proposed
12 water conservation enhancements and reuse proposals
13 should be encouraged as promoting water conservation
14 and reuse of reclaimed water. They are consistent
15 with the legislative policy and our water use
16 regulations, and I believe they are necessary to meet
17 our goal of providing a safe, reliable and affordable
18 water supply now and in the future.

19 If you have any questions, I'll be happy to
20 answer.

21 MR. ARMSTRONG: Thank you, Mr. Wilkening.
22 The witness is available for cross.

23 WITNESS WILKENING: Could I ask a technical
24 issue here? We're getting a lot of reverb; everything
25 we say echos back and it's very difficult to

1 communicate. Is there any adjustment that we can make
2 here to eliminate this echo? If not, we'll proceed.
3 Just a comment.

4 COMMISSIONER KIESLING: Mr. Wilkening, our
5 technical person says the problem is the volume at
6 your end. Try that.

7 WITNESS WILKENING: That's better, thank
8 you.

9 CHAIRMAN CLARK: Mr. McLean?

10 MR. McLEAN: Thank you, Madam Chairman.

11 **CROSS EXAMINATION**

12 BY MR. McLEAN:

13 Q Mr. Wilkening, you gave us a good speech why
14 you believe a conservation program is essentially
15 essential at SSU; do you agree with that?

16 A Yes, I guess.

17 Q And your district certainly endorses the
18 notion that a program -- or a utility such as SSU
19 should have a conservation program, particularly in
20 the areas where St. Johns is directly concerned,
21 correct?

22 A Yes.

23 Q Now you know, too, that Southern States has
24 proposed -- Southern States has an existing program
25 and has proposed enhancements thereto. Do you know

1 that as well?

2 A Yes.

3 Q Are you familiar with that program?

4 A The existing program?

5 Q Yes, sir.

6 A Yes.

7 Q Okay. What about the --

8 A I'm generally familiar with it.

9 Q What about the enhancements?

10 A Yes, I'm generally familiar with the
11 proposed enhancements.

12 Q Okay. Now you understand that effort taken
13 such as that, the proposition being true there is
14 probably no free lunch, at least as yet, that each of
15 those programs have something of a cost somewhere to
16 someone, correct?

17 A Yes.

18 Q Now to the people I represent, that cost, if
19 it is a cost to SSU, it becomes a price to the people
20 who pay for it. Do you agree with that general
21 notion?

22 A Yes.

23 Q Is that price too high, too low, or about
24 right?

25 A The price of water under the proposed

1 conservation plan?

2 Q No, sir. No, sir. The conservation plan
3 has a price, a cost and a price, doesn't it?

4 A Yes, it does.

5 Q And my question to you is, that conservation
6 plan, taken together with its enhancements, if you
7 don't mind aggregating them in that manner, would you
8 say that that price is too high, too low, or about
9 right?

10 A I believe it's appropriate.

11 Q And upon what do you base that opinion?

12 A On the fact that under the consumptive use
13 permitting rule, they will be required to demonstrate
14 that this is a reasonable, beneficial use of water.
15 To make that demonstration, they need to propose a set
16 of conservation practices which address their water
17 use and provide significant water savings.

18 Q Okay. I think I can just barely hear you,
19 so forgive me.

20 A Okay. I'm trying to balance the reverb and
21 providing you -- there, how is that?

22 Q Yes, sir. I only heard maybe part of your
23 answer but I gathered that your question -- the answer
24 to my question was that you needed to ensure that it
25 was a beneficial use of water?

1 A A reasonable, beneficial use.

2 Q And that addresses the use of the water
3 which a withdrawal applicant presents to you, correct?

4 A That's correct.

5 Q Okay. Now my question goes directly to the
6 issue of cost/benefit. Did you -- you told me that
7 you believed that the price for this conservation
8 program was about right. And my question to you is,
9 tell me how you know that it was about right. You may
10 have answered it, but I don't think I heard the
11 answer.

12 A Well, I said that I believe the cost is
13 appropriate and necessary to obtain a consumptive use
14 permit.

15 Q Have you arrived at a conclusion that the
16 price for the program -- that the program itself is
17 cost-effective?

18 A It depends what you mean by cost-effective.

19 Q I mean weighed against costs, does the
20 benefit exceed the cost?

21 A Well, we did not do a cost/benefit analysis.

22 Q Okay.

23 A That's not required under our rules, and I
24 think that it is very difficult to do a cost/benefit
25 analysis on water conservation.

1 Q Yes, sir. Your agency has jurisdiction, if
2 I can generally categorize it, over the water
3 resources of the St. Johns River District, correct?

4 A That's correct.

5 Q But you don't have economic regulatory
6 authority over these utilities, do you?

7 A I don't know what you mean by "economic
8 regulatory authority."

9 Q Okay. You don't set their prices, do you?

10 A Pardon me?

11 Q You don't set their prices, do you?

12 A No.

13 Q Okay. Now with respect to that issue of
14 cost/benefit analysis, does the district undertake any
15 program -- strike that.

16 MR. McLEAN: I have no further questions,
17 thank you.

18 CHAIRMAN CLARK: Mr. Jacobs.

19 COMMISSIONER KIESLING: Just a second.
20 Mr. Wilkening, where is the mike that you are speaking
21 into?

22 WITNESS WILKENING: Right here.

23 COMMISSIONER KIESLING: That might help,
24 thank you.

25 WITNESS WILKENING: Would that help? Sorry.

1 CHAIRMAN CLARK: Mr. Jacobs?

2 WITNESS WILKENING: We'll have this all
3 worked out by the time we're done.

4 CHAIRMAN CLARK: Mr. Jacobs.

5 **CROSS EXAMINATION**

6 BY MR. JACOBS:

7 Q Mr. Wilkening, my name is Buddy Jacobs, I'm
8 a lawyer from Fernandina Beach and here on behalf of
9 Amelia Island utility users on Amelia Island in Nassau
10 County. You never looked better, by the way.

11 But I want to ask you, what is the aquifer
12 that is within your jurisdiction?

13 A Well, we regulate all water resources in our
14 district. The primary aquifer that produces water for
15 water supply is the Upper Floridan Aquifer, but there
16 are other aquifers.

17 Q All right. The one, the aquifer that is
18 drawn upon by the Amelia Island Utility Company is
19 which aquifer?

20 A I'm sorry, could you repeat? I didn't hear.

21 Q Yes, sir. The aquifer upon which the Amelia
22 Island Utility Company draws is which aquifer?

23 A The Amelia Island?

24 Q Yes.

25 A I'm really not sure which aquifer it is.

1 I'm assuming it is the Upper Floridan. I think that
2 would be a reasonable assumption.

3 Q How far down the state does the Upper
4 Florida Aquifer go?

5 A It goes -- well, actually, into South
6 Florida; although the thickness of the aquifer
7 decreases as you move, you know, into South Florida.

8 Q What is this, which county is the
9 southernmost area of the Upper Florida Aquifer?

10 A I don't know.

11 Q Do you know which county in Florida is the
12 westernmost county for the Floridan Aquifer?

13 A For the Floridan Aquifer?

14 Q Yes, Upper Floridan.

15 A No, I don't know. I would expect into the
16 Panhandle.

17 Q All right. Does the Upper Floridan Aquifer,
18 you say you don't know, but do you know the general
19 area? Does it go down, say, past Orange County?

20 A Yes, it goes into the South Florida Water
21 Management District, certainly.

22 Q You don't know what county is the area that
23 could be? You don't know the southernmost county, you
24 have no idea?

25 A No, I don't.

1 Q Do you know the -- does it go in the Tampa
2 Bay area?

3 A Yeah, I believe it does.

4 Q Does it cover the entire state?

5 A It covers most of the state.

6 Q All right. So would it be your testimony,
7 then, that the Amelia Island Company draws from the
8 same aquifer that every other utility company in
9 Florida would draw from?

10 A No.

11 Q You recognize that Southern States Utility
12 Company is a company that owns approximately 150
13 distinct entities or units that at one time were
14 stand-alone utility companies?

15 A Yes.

16 Q And they operate those -- they are
17 attempting to operate those as though it were one big
18 company?

19 A Yes.

20 Q When you set conservation measures for the
21 Amelia Island Company utility company located in
22 Nassau County -- and the reason you set those
23 conservation measures, and I think you admitted that
24 or you stated that pricing is something that can be
25 utilized to regulate the usage of water in a

1 conservation way; is that not correct?

2 A Yes, that's correct.

3 Q So if you are pricing the folks at a utility
4 company that is not utilizing the Upper Floridan
5 Aquifer and you're pricing it at one level for, let's
6 say, the Amelia Island Utility Company, do you think
7 that is going to have any deterrence on people who are
8 not within that particular realm?

9 If you charge them more for the Amelia
10 Island Utility Company and the water conservation
11 measures that you take, is that going to deter anybody
12 from using the water that receives the benefit of that
13 subsidy?

14 A If I -- I think I understand your question.
15 You are asking me if rate, a certain rate structure in
16 Amelia Island, is going to affect water usage in
17 another facility?

18 Q That's right.

19 A Is that?

20 Q Yes, sir.

21 A Well, okay. The answer is no, obviously.

22 MR. JACOBS: No further questions.

23 CHAIRMAN CLARK: Mr. Twomey?

24 MR. TWOMEY: I don't have any questions.

25 CHAIRMAN CLARK: Staff?

CROSS EXAMINATION

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BY MR. PELLEGRINI:

Q Good afternoon, Mr. Wilkening.

A Good afternoon.

Q Let me turn your attention to begin with to Page 7 of your testimony.

A Yes.

Q There at Line 19, you make the statement that, "Facilities that are constructed and operated to provide reuse should be considered 100% used and useful." Is that not true?

A Yes.

Q And then you go on to acknowledge that those facilities serve both existing and future customers; is that not true?

A They serve to benefit them, yes, either directly or indirectly.

Q The first statement, does that represent -- does that represent your personal viewpoint or does it represent the viewpoint of the Water Management District?

A That's my personal viewpoint. I prepared this testimony.

Q Does it also represent the viewpoint of the Water Management District?

1 A I don't believe that our governing board
2 has, you know, considered this item and has issued any
3 kind of official agency position.

4 Q And in taking this position, have you
5 considered the impact, the impact of that statement
6 upon -- the economic impact of that statement upon the
7 customers involved with the reuse system?

8 A Yes.

9 Q In what way have you made that
10 consideration?

11 A Well, I mean, obviously, it's going to add a
12 cost to water for customers.

13 I think that in the case of reclaimed water
14 and reuse systems, it's a very complex issue. The
15 costs for reuse are, I believe, and our agency has
16 taken a position on this, should be equally
17 distributed among those that benefit, including water
18 users, wastewater customers, and the end user of the
19 reclaimed water.

20 So the economics of it are really
21 case-by-case. And, you know, our experience has been
22 that reclaimed water projects can proceed when all
23 those that benefit from the project participate and
24 share the cost. It's generally feasible.

25 Q Have you specifically considered -- have you

1 specifically considered how the recovery, the cost
2 recovery burden, should be carried? That is,
3 allocated as between current and future customers?

4 A Well, I look to our rules, consumptive use
5 permitting rules, to try to address this issue. And
6 those rules really form the basis of my opinion on
7 this.

8 Q Can you be a bit more specific?

9 A Yes. Under our rules, to obtain a permit,
10 for a water user to obtain a permit, they must
11 provide -- meet several criteria that demonstrates a
12 reasonable, beneficial use, which I have already kind
13 of discussed concerning water conservation.

14 But very specific to our rules is the
15 requirement that reclaimed water or another lower
16 quality source of water be used if appropriate, if
17 feasible.

18 So to attain a permit, for the permit to be
19 issued by the Water Management District, we have to
20 look at the feasibility of either having that user use
21 reclaimed water or, in the case of a utility that
22 generates wastewater, provide that wastewater to be
23 used as reclaimed water. And that is a necessary part
24 of the demonstration that water use is a reasonable
25 use.

1 So whether or not there's any additional
2 customers that come on line, under our rules that test
3 has to be met for the existing customer base.

4 Q Is what you have just said to suggest that
5 the entire beneficial use of a reuse system inures to
6 the existing customers regardless of in the case even
7 of a reuse system whose capacity is far in excess of
8 the present needs, the needs of the present customers?

9 A Well, my testimony is based on my
10 perspective at the Water Management District. And
11 when we talk about a reclaimed water project, we are
12 generally talking about a project, when it is part of
13 a permit that we issue, where we have identified end
14 users and we have, you know, it's not just like a
15 plant expansion for some future use. It is a specific
16 plan to provide reclaimed water to users that have
17 been identified. It might not occur in six months or
18 a year.

19 There's, like I said, there's a lot of
20 complexities because you have several components and
21 you have several different entities involved in
22 implementing the plan.

23 Q Suppose a great deal of that capacity were
24 to be used by customers who were to come on line 10
25 years, 15 years, 20 years from now?

1 A Well, I think that those customers should
2 bear some of that cost. I mean, that has been our
3 position is that the reclaimed water system, the cost
4 of that system, should be borne by all of those that
5 benefit from it. So we would suggest that some of
6 that cost should be incorporated into future end
7 users.

8 COMMISSIONER GARCIA: Let me -- how would
9 you structure -- I'm sorry, this is Commissioner
10 Garcia. How would you structure that?

11 WITNESS WILKENING: How would I structure
12 that? Well, what we typically do is we get all the
13 parties together and try to facilitate a plan and an
14 arrangement that is hopefully mutually acceptable to
15 all of them. I mean, we have now -- you know, we are
16 not in the business of actually entering into
17 agreements.

18 COMMISSIONER GARCIA: I understand. But my
19 question goes more to the future users. How do you
20 structure having them pay for that? See, that's the
21 position we're in. I know you are not in that as we
22 are.

23 WITNESS WILKENING: Uh-huh.

24 COMMISSIONER GARCIA: But having them pay
25 for it is quite difficult when they are not there.

1 For us. And that's why my question was having the
2 future users pay for it. I was hoping you had some
3 type of thinking. Forgive me.

4 WITNESS WILKENING: Well, no. My response
5 is that this is really a kind of a new area, a new
6 area that we are all learning. And I think that we
7 have to be creative and we have to try to look for
8 ways to facilitate and encourage this process.

9 And I think that's the message and my
10 testimony is that I believe the Commission needs to
11 consider a mechanism to allow utilities to recover
12 their portion of the cost on these reuse plans. And I
13 certainly believe it's appropriate to make a critical
14 evaluation of a reuse plan in terms of -- and the
15 capital improvements associated with a reuse plan as
16 to, you know, whether or not we have users available
17 and on line and when they are going to come on line.

18 I'm not necessarily advocating that, you
19 know, that certain capital improvements be made in
20 anticipation of some very distant end user that's
21 going to come on line. But I do know from experience
22 that for these to be feasible, sometimes it requires
23 some infrastructure improvements to occur in advance,
24 possibly years in advance, of other critical functions
25 happening.

1 For example, I mean, a distribution -- a
2 construction of distribution lines in areas of new
3 development and construction. If that doesn't occur
4 as part of a, you know -- if that doesn't occur at a
5 certain point in time, the cost of that occurring in
6 the future is, you know, much, much greater and
7 generally could make things infeasible.

8 So I just think we need to recognize the
9 complexities of this and allow for some things to
10 occur when it would be most cost-effective, when we
11 have a specific plan that we have identified. And I
12 believe that the water management districts, you know,
13 that's our primarily responsibility in the permitting
14 process is to bring those users together with the
15 plan.

16 COMMISSIONER GARCIA: Thank you.

17 Q (By Mr. Pellegrini) Mr. Wilkening, let me
18 ask you one more question on this point.

19 Are you at least sensitive to the notion
20 that if present customers were made to share -- not
21 share, but carry 100% of the cost of a reuse system,
22 that at least a question, a question of inequity
23 arises?

24 A As to whether other customers? Are you
25 talking as to future customers or other users who are

1 going to benefit from this plan?

2 Q No, I'm speaking now with reference to
3 present customers. Whether you see the issue of a
4 possible inequity relative to present customers,
5 should they be required to bear or fully bear the cost
6 of the reuse system?

7 MR. ARMSTRONG: Madam Chair? If I may?
8 Madam Chair? I'm sorry. But for purposes of
9 clarification, I think we have a miscommunication
10 here.

11 Mr. Wilkening, I guess, Staff, if you could
12 be clear when you talk about a future customer, are
13 you talking about a future reuse customer or a future
14 customer water wastewater customer of the utility?
15 Because I think we have a mixing, miscommunication.
16 It appears to me that Mr. Wilkening is talking about a
17 reuse customer.

18 Q (By Mr. Pellegrini) Was that? I wasn't
19 aware. Is that a confusion in your mind?

20 A Yes, it is. If you could clarify that for
21 me, that would help.

22 Q Well, what I have in mind is a wastewater
23 system that includes a reuse facility as well. So I'm
24 talking in reference, I think, to all present
25 wastewater utility customers, some of whom may be

1 using reuse water, some of whom may not be.

2 A Okay.

3 Q And my question is -- do you have my
4 question still?

5 A I think I do. Let me try to answer it and
6 see if I have it.

7 Q Take a shot at it, okay.

8 A I think that my -- my position is that the
9 benefits of the reclaimed water system should be borne
10 by those that benefit from it. And typically that
11 includes water customers, wastewater customers, and
12 the end user. I mean you can call that end user a
13 water customer as well. But we encourage those costs
14 to be spread out as much as possible.

15 Q All right. I want to ask you this same --
16 first of all, you are aware that the Public Service
17 Commission is vested with exclusive jurisdiction over
18 utilities with respect to authority, service and
19 rates, are you not?

20 A Yes.

21 Q Would you agree with me that an important
22 aspect of setting rates is to ensure utility customers
23 do not pay for unnecessary or imprudently incurred
24 expenses?

25 A Yes.

1 Q I want to ask you the same questions
2 relative to SSU's proposed water conservation program
3 and enhancements and the Marco Island water audits
4 project.

5 A Okay.

6 Q In both cases you have reviewed the elements
7 of those programs?

8 A Yeah. I did not review the Marco Island
9 plan in detail.

10 CHAIRMAN CLARK: Mr. Pellegrini, I don't
11 think he is, I don't know that Marco Island is in his
12 district. What?

13 MR. PELLEGRINI: Yeah. Just a minute,
14 please. (Pause)

15 Q (By Mr. Pellegrini) Forget Marco Island.

16 A Okay.

17 Q You did review the elements, however, of
18 SSU's proposed water conservation program and
19 enhancements, did you not?

20 A Yes.

21 Q Okay.

22 A Yes.

23 Q With respect to itemized expenses involved
24 with that program, did you make an analysis of those
25 expenses?

1 A No.

2 Q So you can't tell us -- you have no opinion
3 as to whether those expenses are indeed prudent
4 expenses?

5 A Well, I can tell you that the expenses
6 appeared to me to be generally in line with the costs
7 that other utilities have incurred, but I did not go
8 through line-by-line and determine, you know --

9 Q So on some level other than line-by-line you
10 have made somewhat a prudence analysis but not on a
11 line-by-line basis; is that correct?

12 A My primary analysis was on the scope of the
13 plan as to whether this would be the type of plan
14 required under our permitting program.

15 MR. PELLEGRINI: I have no further
16 questions, Chairman Clark. Thank you, Mr. Wilkening.

17 CHAIRMAN CLARK: Commissioners?
18 Mr. Armstrong.

19 MR. ARMSTRONG: Just one redirect.

20 **REDIRECT EXAMINATION**

21 BY MR. ARMSTRONG:

22 Q Mr. Wilkening, during the Water Management
23 District's review of a reuse conversion project, is
24 there some provision for the Florida Public Service
25 Commission to assist the district in its economic

1 feasibility determination of that project?

2 A Well, we have an MOU which provides for that
3 type of thing to occur.

4 MR. ARMSTRONG: Okay. Thank you,
5 Mr. Wilkening.

6 CHAIRMAN CLARK: Thank you, Mr. Wilkening,
7 (Witness Wilkening excused.)

8 - - - - -

9 CHAIRMAN CLARK: The next witness we have
10 down is Ms. Rodriguez. Go ahead, Ms. O'Sullivan.

11 WITNESS RODRIGUEZ: Good afternoon, this is
12 Blanca Rodriguez from DEP.

13

BLANCA RODRIGUEZ

14 was called via teleconferencing as a rebuttal witness
15 on behalf of the Staff of the Florida Public Service
16 Commission and, having been duly sworn, testified as
17 follows:

18

DIRECT EXAMINATION

19 BY MS. O'SULLIVAN:

20 Q Can you hear me okay, Ms. Rodriguez?

21 A Yes, I can.

22 Q Thank you. Please state your name and by
23 address for the record.

24 A Yes. Well, I am Blanca Rodriguez, I
25 represent the Department of Environmental

1 Regulation -- Protection, I'm sorry. We are located
2 7825 Baymeadows Way, Suite B200, in Jacksonville,
3 Florida. And the zip code is 32256.

4 Q Thank you. Have you prefiled direct
5 testimony in this docket consisting of 39 pages?

6 A Yes. Me and my staff. I mean, this
7 testimony was prepared by six people and me, seven
8 people. This means that I put together all their
9 prefiled testimony prepared by six of my staff plus my
10 testimony, which was mainly Page 1.

11 Q All right, thank you. Do you have any
12 changes or corrections to that testimony?

13 A After review there of the testimony, only
14 two changes has happened since the date that we
15 prepared the prefiled testimony.

16 Q And what are those changes?

17 A Page 6, regarding the Keystone Heights water
18 system, when they asked about the treatment facility
19 and distribution system, Well No. 2 was off line in
20 November of '95. That Well No. 2 is now on line.

21 Q And what's your second correction?

22 A The second correction is on Page 8. And
23 probably it is repeated through the document. Most of
24 the plants when we prepared the prefiled testimony on
25 November has gas chlorination facilities. And in that

1 page, at the top of the page, when talk about the
2 distribution system, if the distribution system is in
3 compliance, we mention the chlorination facilities
4 that some lack of alarms. Southern States Utilities
5 after that they change the gas chlorination facilities
6 to liquid hypochlorinators. And that is applicable to
7 basically most these plants -- of these plants at this
8 point.

9 Q All right, thank you. With those
10 corrections, if I were to ask you the same questions
11 today, would your testimony still be the same?

12 A Yes, the testimony would be the same.

13 MS. O'SULLIVAN: Thank you. Chairman Clark,
14 may we have Ms. Rodriguez's testimony inserted into
15 the record as though read.

16 CHAIRMAN CLARK: With the changes noted
17 today, the prefiled direct testimony of Blanca
18 Rodriguez will be inserted into the record as though
19 read.

20 MS. O'SULLIVAN: Thank you.

21 Q (By Ms. O'Sullivan) Ms. Rodriguez, did you
22 also file Exhibits Nos. BRR-1 and BRR-2 attached to
23 your testimony?

24 A Yes. That's part of the prefiled testimony
25 that was prepared by our office regarding the three

1 plants -- two plants located in Duval County. That's
2 part of the prefiled testimony.

3 Q Do you have any changes or corrections to
4 those exhibits?

5 A As far as I know, no. I would have probably
6 to depend sometimes on those plants located in Duval
7 County. I wanted to clarify that DEP delegated a
8 drinking water program in Duval County to the
9 Department of Environment or the Health Department.
10 And this portion of these testimony regarding three
11 plants in Duval County was prepared by the staff of
12 the Duval County Health Department, and we incorporate
13 it in our prefiled testimony.

14 MS. O'SULLIVAN: All right. Chairman
15 Clark --

16 COMMISSIONER KIESLING: Before you go
17 forward, Ms. Rodriguez, could you turn the volume up
18 on your mike a little bit?

19 WITNESS RODRIGUEZ: A little low?

20 COMMISSIONER KIESLING: Turn it up higher,
21 louder.

22 WITNESS RODRIGUEZ: Okay, let me see how go
23 this. To be honest with you, I am having a little
24 difficulty --

25 COMMISSIONER KIESLING: That was a little

1 better there, somebody said?

2 Now you are gone completely.

3 CHAIRMAN CLARK: We cannot hear you at all.

4 (Discussion off the record) (Pause)

5 WITNESS RODRIGUEZ: You can hear us? Okay,
6 okay, for some reason we don't know how to operate
7 these.

8 CHAIRMAN CLARK: Ms. Rodriguez, if you would
9 speak slower. Let me check something. Are you still
10 getting the crackling?

11 THE REPORTER: Not right at the moment, no.

12 MS. O'SULLIVAN: I think we were at the
13 point of identifying the exhibits to be moved.

14 CHAIRMAN CLARK: It's BRR-1?

15 MS. O'SULLIVAN: 1 and 2.

16 CHAIRMAN CLARK: 1 and 2 will be identified
17 as Composite 203.

18 (Exhibit No. 203 marked for identification.)
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1 DIRECT TESTIMONY OF BLANCA R. RODRIGUEZ

2 Q. Please state your name and business address.

3 A. Blanca R. Rodriguez, 7825 Baymeadows Way - B200, Jacksonville, Florida
4 32256.

5 Q. Please state a brief description of your educational background and
6 experience.

7 A. I am an environmental manager, supervising the Drinking Water Section.
8 I have a Bachelors Degree in Chemical Engineering and 19 years experience as
9 an engineer. I have 11 years of experience as an engineer in the Potable
10 Water Section with the Department.

11 Q. By whom are you presently employed?

12 A. I am employed by the Florida Department of Environmental Protection.
13 (FDEP)

14 Q. How long have you been employed with the FDEP and in what capacity?

15 A. I have been employed by FDEP during the last 11 years as an engineer.
16 Right now, I am an environmental manager supervising the Drinking Water
17 Section.

18 Q. What are your general responsibilities at the FDEP?

19 A. I supervise 11 people in the Drinking Water Section. I am responsible
20 for the permitting, compliance and enforcement activities for the Public Water
21 Systems in FDEP's Northeast District.

22 Q. Are you familiar with the Southern States Utilities, Inc. water systems
23 located in the Northeast District?

24 A. Yes.

25 Q. Were these systems inspected by you, or by staff under your supervision?

1 A. Yes.

2 Beacon Hills/Cobblestone Water System

3 Q. Does the utility have a current construction permits from the FDEP for
4 Beacon Hills/Cobblestone Water System (Beacon Hills/Cobblestone)?

5 A. Yes. For Beacon Hills, Permit No. 1695-WD-3301, issued July 6, 1995 for
6 Water Main Relocation and Permit No. 1695-WD-3311, issued June 30, 1995 for
7 the Corrosion Control System. For Cobblestone, Permit No. 1695-WD-3210,
8 issued March 22, 1995 for Chlorination System Improvements and Permit No.
9 1695-WD-3312, issued June 30, 1995 for the Corrosion Control System.

10 Q. Are the utility's treatment facilities and distribution system
11 sufficient to serve its present customers?

12 A. Yes. However, the utility was advised in a September 26, 1995 letter
13 that corrosion control treatment needs to be implemented for the Cobblestone
14 facilities. According to the utility, it planned to implement the changes by
15 the end of November. Copies of those letters are attached as Exhibit BRR-1.

16 Q. Does the utility maintain the required 20 psi minimum pressure
17 throughout the distribution system?

18 A. Yes.

19 Q. Does the utility have an adequate auxiliary power source in the event
20 of a power outage?

21 A. Yes.

22 Q. Are the utility's water wells for Beacon Hills/Cobblestone located in
23 compliance with Rule 62-555, Florida Administrative Code?

24 A. Yes.

25 Q. Does the utility have certified operators as required by Rule 61E12-41,

1 Florida Administrative Code?

2 A. Yes.

3 Q. Has the utility established a cross-connection control program in
4 accordance with Rule 62-555.360, Florida Administrative Code?

5 A. Yes, according to a letter dated June 30, 1994.

6 Q. Is the overall maintenance of the treatment plant and distribution
7 facilities satisfactory?

8 A. Yes.

9 Q. Does the water produced by the utility meet the State and Federal
10 maximum contaminant levels for primary and secondary water quality standards?

11 A. Yes. However, the Beacon Hills water treatment plant area exceeded the
12 lead action level indicated in Rule 62-551, Florida Administrative Code, and
13 the Cobblestone water treatment plant area exceeded the copper action level.
14 Documentation concerning the lead and copper levels are attached as Exhibit
15 BRR-2. This situation is still being evaluated by the Duval County Health
16 Department at the time of the filing of this testimony. FDEP has delegated
17 regulation of public water systems in Duval County to FDHRS.

18 Q. Does the utility monitor the organic contaminants listed in Rule
19 62-550.410, Florida Administrative Code?

20 A. Yes.

21 Q. Do recent chemical analyses of raw and finished water, when compared to
22 regulations, suggest the need for additional treatment?

23 A. Yes. FDEP rules regarding lead and copper call for corrosion control
24 treatment.

25 Q. Does the utility maintain the required chlorine residual or its

1 equivalent throughout the distribution system?

2 A. Yes. Exhibit BRR-1 regarding high chlorine complaints and the utility's
3 resolution.

4 Q. Are the plant and distribution systems in compliance with all the other
5 provisions of Chapter 62, Florida Administrative Code, not previously
6 mentioned?

7 A. Yes.

8 Q. Has Beacon Hills/Cobblestone been the subject of any FDEP enforcement
9 action within the past two years?

10 A. None. However, as indicated in Exhibit BRR-2, the utility was issued
11 an April 26, 1995 compliance letter for lack of public education for exceeding
12 lead action levels.

13 Woodmere Water System

14 Q. Does the utility have an active construction permit from the FDEP for
15 the Woodmere Water System (Woodmere)?

16 A. No, there are no active permits.

17 Q. Are the utility's treatment facilities and distribution system
18 sufficient to serve its present customers?

19 A. Yes. However, the chlorine contact time is minimal resulting in
20 chlorine residual variations in the distribution system. We recommend that
21 a 15 minute contact time at maximum hour flow be provided.

22 Q. Does the utility maintain the required 20 psi minimum pressure
23 throughout the distribution system?

24 A. Yes.

25 Q. Does the utility have an adequate auxiliary power source in the event

1 | of a power outage?

2 | A. Yes.

3 | Q. Are the utility's water wells for Woodmere located in compliance with
4 | Rule 62-555, Florida Administrative Code?

5 | A. Yes.

6 | Q. Does the utility have certified operators as required by Rule 61E12-41,
7 | Florida Administrative Code?

8 | A. Yes.

9 | Q. Has the utility established a cross-connection control program in
10 | accordance with Rule 62-555.360, Florida Administrative Code?

11 | A. Yes. A written copy of the utility's compliance is on file.

12 | Q. Is the overall maintenance of the treatment plant and distribution
13 | facilities satisfactory?

14 | A. Yes.

15 | Q. Does the water produced by the utility meet the State and Federal
16 | maximum contaminant levels for primary and secondary water quality standards?

17 | A. Yes.

18 | Q. Does the utility monitor the organic contaminants listed in Rule
19 | 62-550.410, Florida Administrative Code?

20 | A. Yes.

21 | Q. Do recent chemical analyses of raw and finished water, when compared to
22 | regulations, suggest the need for additional treatment?

23 | A. No.

24 | Q. Does the utility maintain the required chlorine residual or its
25 | equivalent throughout the distribution system?

1 A. Yes.

2 Q. Are the plant and distribution systems in compliance with all the other
3 provisions of Chapter 62, Florida Administrative Code, not previously
4 mentioned?

5 A. Yes. With the exception of one aeration/ground storage tank taken off
6 line in February, 1993 without authorization from this office.

7 Q. Has Woodmere been the subject of any FDEP enforcement action within the
8 past two years?

9 A. No.

10 Keystone Heights Water System

11 Q. Does the utility have a current construction permit from the FDEP for
12 Keystone Heights Water System (Keystone Heights)?

13 A. No.

14 Q. Are the utility's treatment facilities and distribution system
15 sufficient to serve its present customers?

16 A. Yes. However, Well #2 is still offline and is needed during peak
17 months.

18 Q. Does the utility maintain the required 20 psi minimum pressure
19 throughout the distribution system?

20 A. Yes.

21 Q. Does the utility have an adequate auxiliary power source in the event
22 of a power outage?

23 A. Yes, at Plant #3. This site has a portable generator sufficient to run
24 well pumps and treatment. However, we would recommend that this site provide
25 permanent generator with an automatic switch-on.

1 Q. Are the utility's water wells for Keystone Heights located in compliance
2 with Rule 62-555, Florida Administrative Code?

3 A. Yes. However, one well located within 200 feet of ground contamination
4 from underground storage facilities for gasoline.

5 Q. Does the utility have certified operators as required by Rule 61E12-41,
6 Florida Administrative Code?

7 A. Yes.

8 Q. Has the utility established a cross-connection control program in
9 accordance with Rule 62-555.360, Florida Administrative Code?

10 A. Yes, a plan exists according to AWWA standards and a copy of the written
11 plan is being provided.

12 Q. Is the overall maintenance of the treatment plant and distribution
13 facilities satisfactory?

14 A. Yes.

15 Q. Does the water produced by the utility meet the State and Federal
16 maximum contaminant levels for primary and secondary water quality standards?

17 A. Yes.

18 Q. Does the utility monitor the organic contaminants listed in Rule
19 62-550.410, Florida Administrative Code?

20 A. Yes.

21 Q. Do recent chemical analyses of raw and finished water, when compared to
22 regulations, suggest the need for additional treatment?

23 A. No.

24 Q. Does the utility maintain the required chlorine residual or its
25 equivalent throughout the distribution system?

1 A. Yes.

2 Q. Are the plant and distribution systems in compliance with all the other
3 provisions of Chapter 62, Florida Administrative Code, not previously
4 mentioned?

5 A. Yes. All gas chlorine facilities have alarm and buzzer and no
6 telemetry. However, all gas systems will be removed by December 1995. Well
7 #2 is still off line. Bacteriological clearance for the well has not been
8 achieved since work was performed on well and well pump in 1994.

9 Q. Has Keystone Heights been the subject of any FDEP enforcement action
10 within the past two years?

11 A. No.

12 Lakeview Villas Water System

13 Q. Does the utility have a current construction permit from the FDEP for
14 Lakeview Villas Water System (Lakeview Villas)?

15 A. No.

16 Q. Are the utility's treatment facilities and distribution system
17 sufficient to serve its present customers?

18 A. Yes.

19 Q. Does the utility maintain the required 20 psi minimum pressure
20 throughout the distribution system?

21 A. Yes.

22 Q. Does the utility have an adequate auxiliary power source in the event
23 of a power outage?

24 A. Because the Lakeview Villas' system has fewer than 350 people and 150
25 connections, it has a portable generator that can be connected in emergency.

1 Q. Are the utility's water wells for Lakeview Villas located in compliance
2 with Rule 62-555, Florida Administrative Code?

3 A. Yes. The well may be within 200 feet of a nearby septic system.
4 However, - 175 feet is maximum distance and no bacteriological problems have
5 occurred.

6 Q. Does the utility have certified operators as required by Rule 61E12-41,
7 Florida Administrative Code?

8 A. Yes.

9 Q. Has the utility established a cross-connection control program in
10 accordance with Rule 62-555.360, Florida Administrative Code?

11 A. Yes, a plan exists according to AWWA standards, and a copy of the
12 written plan is being provided.

13 Q. Is the overall maintenance of the treatment plant and distribution
14 facilities satisfactory?

15 A. Yes.

16 Q. Does the water produced by the utility meet the State and Federal
17 maximum contaminant levels for primary and secondary water quality standards?

18 A. Yes.

19 Q. Does the utility monitor the organic contaminants listed in Rule
20 62-550.410, Florida Administrative Code?

21 A. Because Lakeview Villas' has fewer than 150 connections a waiver has
22 been issued and no samples are required at this time.

23 Q. Do recent chemical analyses of raw and finished water, when compared to
24 regulations, suggest the need for additional treatment?

25 A. No.

1 Q. Does the utility maintain the required chlorine residual or its
2 equivalent throughout the distribution system?

3 A. Yes.

4 Q. Are the plant and distribution systems in compliance with all the other
5 provisions of Chapter 62, Florida Administrative Code, not previously
6 mentioned?

7 A. Yes.

8 Q. Has Lakeview Villas been the subject of any FDEP enforcement action
9 within the past two years?

10 A. No.

11 Postmaster Village Water System

12 Q. Does the utility have a current construction permit from the FDEP for
13 Postmaster Village Water System (Postmaster Village)?

14 A. Yes.

15 Q. Are the utility's treatment facilities and distribution system
16 sufficient to serve its present customers?

17 A. Yes.

18 Q. Does the utility maintain the required 20 psi minimum pressure
19 throughout the distribution system?

20 A. Yes.

21 Q. Does the utility have an adequate auxiliary power source in the event
22 of a power outage?

23 A. Yes.

24 Q. Are the utility's water wells for Postmaster Village located in
25 compliance with Rule 62-555, Florida Administrative Code?

- 1 A. Yes.
- 2 Q. Does the utility have certified operators as required by Rule 61E12-41,
3 Florida Administrative Code?
- 4 A. Yes.
- 5 Q. Has the utility established a cross-connection control program in
6 accordance with Rule 62-555.360, Florida Administrative Code?
- 7 A. Yes, a plan exists according to AWWA standards, and a copy is being
8 submitted for review.
- 9 Q. Is the overall maintenance of the treatment plant and distribution
10 facilities satisfactory?
- 11 A. Yes.
- 12 Q. Does the water produced by the utility meet the State and Federal
13 maximum contaminant levels for primary and secondary water quality standards?
- 14 A. Yes.
- 15 Q. Does the utility monitor the organic contaminants listed in Rule
16 62-550.410, Florida Administrative Code?
- 17 A. Yes.
- 18 Q. Do recent chemical analyses of raw and finished water, when compared to
19 regulations, suggest the need for additional treatment?
- 20 A. No.
- 21 Q. Does the utility maintain the required chlorine residual or its
22 equivalent throughout the distribution system?
- 23 A. Yes.
- 24 Q. Are the plant and distribution systems in compliance with all the other
25 provisions of Chapter 62, Florida Administrative Code, not previously

1 | mentioned?

2 | A. Yes.

3 | Q. Has Postmaster Village been the subject of any Department of
4 | Environmental Protection enforcement action within the past two years?

5 | A. No.

6 | Amelia Island Water System

7 | Q. Does the utility have a current construction permit from the FDEP for
8 | the Amelia Island Water System (Amelia Island)?

9 | A. Yes.

10 | Q. Are the utility's treatment facilities and distribution system
11 | sufficient to serve its present customers?

12 | A. Yes.

13 | Q. Does the utility maintain the required 20 psi minimum pressure
14 | throughout the distribution system?

15 | A. Yes.

16 | Q. Does the utility have an adequate auxiliary power source in the event
17 | of a power outage?

18 | A. Yes.

19 | Q. Are the utility's water wells for Amelia Island located in compliance
20 | with Rule 62-555, Florida Administrative Code?

21 | A. Yes.

22 | Q. Does the utility have certified operators as required by Rule 61E12-41,
23 | Florida Administrative Code?

24 | A. Yes.

25 | Q. Has the utility established a cross-connection control program in

- 1 | accordance with Rule 62-555.360, Florida Administrative Code?
- 2 | A. Yes.
- 3 | Q. Is the overall maintenance of the treatment plant and distribution
- 4 | facilities satisfactory?
- 5 | A. Yes.
- 6 | Q. Does the water produced by the utility meet the State and Federal
- 7 | maximum contaminant levels for primary and secondary water quality standards?
- 8 | A. Yes.
- 9 | Q. Does the utility monitor the organic contaminants listed in Rule
- 10 | 62-550.410, Florida Administrative Code?
- 11 | A. Yes.
- 12 | Q. Do recent chemical analyses of raw and finished water, when compared to
- 13 | regulations, suggest the need for additional treatment?
- 14 | A. No.
- 15 | Q. Does the utility maintain the required chlorine residual or its
- 16 | equivalent throughout the distribution system?
- 17 | A. Yes.
- 18 | Q. Are the plant and distribution systems in compliance with all the other
- 19 | provisions of Chapter 62, Florida Administrative Code, not previously
- 20 | mentioned?
- 21 | A. Yes.
- 22 | Q. Has Amelia Island been the subject of any FDEP enforcement action within
- 23 | the past two years?
- 24 | A. No.

25 | Palm Valley Water System

- 1 Q. Does the utility have a current construction permit from the FDEP for
2 Palm Valley Water System (Palm Valley)?
- 3 A. No. Palm Valley is a consecutive water system with distribution
4 facilities only.
- 5 Q. Are the utility's treatment facilities and distribution system
6 sufficient to serve its present customers?
- 7 A. Yes. Water mains were replaced and upgraded in 1992 and 1993.
8 Interconnection to Intercoastal Utilities was made in 1993.
- 9 Q. Does the utility maintain the required 20 psi minimum pressure
10 throughout the distribution system?
- 11 A. Yes.
- 12 Q. Does the utility have an adequate auxiliary power source in the event
13 of a power outage?
- 14 A. Yes. Intercoastal Utilities has sufficient auxiliary power.
- 15 Q. Are the utility's water wells for Palm Valley located in compliance with
16 Rule 62-555, Florida Administrative Code?
- 17 A. The utility has no wells as it has interconnected with Intercoastal
18 Utilities.
- 19 Q. Does the utility have certified operators as required by Rule 61E12-41,
20 Florida Administrative Code?
- 21 A. Yes.
- 22 Q. Has the utility established a cross-connection control program in
23 accordance with Rule 62-555.360, Florida Administrative Code?
- 24 A. Intercoastal Utilities has a cross connection control plan.
- 25 Q. Is the overall maintenance of the treatment plant and distribution

1 facilities satisfactory?

2 A. Yes.

3 Q. Does the water produced by the utility meet the State and Federal
4 maximum contaminant levels for primary and secondary water quality standards?

5 A. Yes.

6 Q. Does the utility monitor the organic contaminants listed in Rule
7 62-550.410, Florida Administrative Code?

8 A. Yes. Intercoastal Utilities, the supplier of water, monitors for
9 contaminants.

10 Q. Do recent chemical analyses of raw and finished water, when compared to
11 regulations, suggest the need for additional treatment?

12 A. No.

13 Q. Does the utility maintain the required chlorine residual or its
14 equivalent throughout the distribution system?

15 A. Yes.

16 Q. Are the plant and distribution systems in compliance with all the other
17 provisions of Chapter 62, Florida Administrative Code, not previously
18 mentioned?

19 A. Yes.

20 Q. Has Palm Valley been the subject of any FDEP enforcement action within
21 the past two years?

22 A. No.

23 Remington Forest Water System

24 Q. Does the utility have a current construction permit from the FDEP for
25 Remington Forest Water System (Remington Forest)?

- 1 | A. No.
- 2 | Q. Are the utility's treatment facilities and distribution system
3 | sufficient to serve its present customers?
- 4 | A. Yes.
- 5 | Q. Does the utility maintain the required 20 psi minimum pressure
6 | throughout the distribution system?
- 7 | A. Yes.
- 8 | Q. Does the utility have an adequate auxiliary power source in the event
9 | of a power outage?
- 10 | A. No. The Remington Forest facility does not meet the population/
11 | connection requirements to require auxiliary power.
- 12 | Q. Are the utility's water wells for Remington Forest located in compliance
13 | with Rule 62-555, Florida Administrative Code?
- 14 | A. Yes.
- 15 | Q. Does the utility have certified operators as required by Rule 61E12-41,
16 | Florida Administrative Code?
- 17 | A. Yes.
- 18 | Q. Has the utility established a cross-connection control program in
19 | accordance with Rule 62-555.360, Florida Administrative Code?
- 20 | A. Yes.
- 21 | Q. Is the overall maintenance of the treatment plant and distribution
22 | facilities satisfactory?
- 23 | A. Yes.
- 24 | Q. Does the water produced by the utility meet the State and Federal
25 | maximum contaminant levels for primary and secondary water quality standards?

1 A. Yes.

2 Q. Does the utility monitor the organic contaminants listed in Rule
3 62-550.410, Florida Administrative Code?

4 A. Yes.

5 Q. Do recent chemical analyses of raw and finished water, when compared to
6 regulations, suggest the need for additional treatment?

7 A. No.

8 Q. Does the utility maintain the required chlorine residual or its
9 equivalent throughout the distribution system?

10 A. Yes.

11 Q. Are the plant and distribution systems in compliance with all the other
12 provisions of Chapter 62, Florida Administrative Code, not previously
13 mentioned?

14 A. Yes.

15 Q. Has Remington Forest been the subject of any FDEP enforcement action
16 within the past two years?

17 A. No.

18 Beecher's Point Water System

19 Q. Does the utility have a current construction permit from the FDEP for
20 Beecher's Point Water System (Beecher's Point)?

21 A. No.

22 Q. Are the utility's treatment facilities and distribution system
23 sufficient to serve its present customers?

24 A. Yes. This is a consecutive water system, with the town of Welaka's
25 water treatment plant as the primary system.

1 Q. Does the utility maintain the required 20 psi minimum pressure
2 throughout the distribution system?

3 A. Yes.

4 Q. Does the utility have an adequate auxiliary power source in the event
5 of a power outage?

6 A. Yes.

7 Q. Are the water wells located at Beecher's Point in compliance with Rule
8 62-555, Florida Administrative Code?

9 A. Yes. These wells are connected to the town of Welaka.

10 Q. Does the utility have certified operators as required by Rule 61E12-41,
11 Florida Administrative Code?

12 A. Yes.

13 Q. Has the utility established a cross-connection control program in
14 accordance with Rule 62-555.360, Florida Administrative Code?

15 A. Yes. SSU established one program for all of its systems.

16 Q. Is the overall maintenance of the treatment plant and distribution
17 facilities satisfactory?

18 A. Yes.

19 Q. Does the water produced by the utility meet the State and Federal
20 maximum contaminant levels for primary and secondary water quality standards?

21 A. Yes.

22 Q. Does the utility monitor the organic contaminants listed in Rule
23 62-550.410, Florida Administrative Code?

24 A. Yes. Through the Welaka water treatment plant.

25 Q. Do recent chemical analyses of raw and finished water, when compared to

1 regulations, suggest the need for additional treatment?

2 A. No.

3 Q. Does the utility maintain the required chlorine residual or its
4 equivalent throughout the distribution system?

5 A. Yes.

6 Q. Are the plant and distribution systems in compliance with all the other
7 provisions of Chapter 62, Florida Administrative Code, not previously
8 mentioned?

9 A. Yes.

10 Q. Has Beecher's Point been the subject of any FDEP enforcement action
11 within the past two years?

12 A. No.

13 **Hermit's Cove Water System**

14 Q. Does the utility have a current construction permit from the FDEP for
15 Hermit's Cove Water System (Hermit's Cove)?

16 A. No.

17 Q. Are the utility's treatment facilities and distribution system
18 sufficient to serve its present customers?

19 A. Yes.

20 Q. Does the utility maintain the required 20 psi minimum pressure
21 throughout the distribution system?

22 A. Yes.

23 Q. Does the utility have an adequate auxiliary power source in the event
24 of a power outage?

25 A. Yes.

- 1 Q. Are the utility's water wells for Hermits Cove located in compliance
2 with Rule 62-555, Florida Administrative Code?
- 3 A. Yes.
- 4 Q. Does the utility have certified operators as required by Rule 61E12-41,
5 Florida Administrative Code?
- 6 A. Yes.
- 7 Q. Has the utility established a cross-connection control program in
8 accordance with Rule 62-555.360, Florida Administrative Code?
- 9 A. Yes.
- 10 Q. Is the overall maintenance of the treatment plant and distribution
11 facilities satisfactory?
- 12 A. Yes.
- 13 Q. Does the water produced by the utility meet the State and Federal
14 maximum contaminant levels for primary and secondary water quality standards?
- 15 A. Yes.
- 16 Q. Does the utility monitor the organic contaminants listed in Rule
17 62-550.410, Florida Administrative Code?
- 18 A. Yes.
- 19 Q. Do recent chemical analyses of raw and finished water, when compared to
20 regulations, suggest the need for additional treatment?
- 21 A. No.
- 22 Q. Does the utility maintain the required chlorine residual or its
23 equivalent throughout the distribution system?
- 24 A. Yes.
- 25 Q. Are the plant and distribution systems in compliance with all the other

1 provisions of Chapter 62, Florida Administrative Code, not previously
2 mentioned?

3 A. Yes.

4 Q. Has Hermits Cove been the subject of any FDEP enforcement action within
5 the past two years?

6 A. No.

7 Interlachen Lakes Estates/Park Manor Water System

8 Q. Does the utility have a current construction permit from the FDEP for
9 the Interlachen Lakes Estates/Park Manor Water System (Interlachen Lakes
10 Estates/Park Manor)?

11 A. No.

12 Q. Are the utility's treatment facilities and distribution system
13 sufficient to serve its present customers?

14 A. Yes.

15 Q. Does the utility maintain the required 20 psi minimum pressure
16 throughout the distribution system?

17 A. Yes.

18 Q. Does the utility have an adequate auxiliary power source in the event
19 of a power outage?

20 A. Yes.

21 Q. Are the utility's water wells for Interlachen Lakes Estates/Park Manor
22 located in compliance with Rule 62-555, Florida Administrative Code?

23 A. Yes.

24 Q. Does the utility have certified operators as required by Rule 61E12-41,
25 Florida Administrative Code?

- 1 | A. Yes.
- 2 | Q. Has the utility established a cross-connection control program in
3 | accordance with Section 62-555.360, Florida Administrative Code?
- 4 | A. Yes. It is a utility-wide program.
- 5 | Q. Is the overall maintenance of the treatment plant and distribution
6 | facilities satisfactory?
- 7 | A. Yes.
- 8 | Q. Does the water produced by the utility meet the State and Federal
9 | maximum contaminant levels for primary and secondary water quality standards?
- 10 | A. Yes.
- 11 | Q. Does the utility monitor the organic contaminants listed in Rule
12 | 62-550.410, Florida Administrative Code?
- 13 | A. Yes.
- 14 | Q. Do recent chemical analyses of raw and finished water, when compared to
15 | regulations, suggest the need for additional treatment?
- 16 | A. No.
- 17 | Q. Does the utility maintain the required chlorine residual or its
18 | equivalent throughout the distribution system?
- 19 | A. Yes.
- 20 | Q. Are the plant and distribution systems in compliance with all the other
21 | provisions of Chapter 62, Florida Administrative Code, not previously
22 | mentioned?
- 23 | A. Yes.
- 24 | Q. Has Interlachen Lakes Estates/Park Manor been the subject of any FDEP
25 | enforcement action within the past two years?

1 | A. No.

2 | Palm Port Water System

3 | Q. Does the utility have a current construction permit from the FDEP for
4 | Palm Port Water System (Palm Port)?

5 | A. Yes, a general permit for corrosion control.

6 | Q. Are the utility's treatment facilities and distribution system
7 | sufficient to serve its present customers?

8 | A. Yes.

9 | Q. Does the utility maintain the required 20 psi minimum pressure
10 | throughout the distribution system?

11 | A. Yes.

12 | Q. Does the utility have an adequate auxiliary power source in the event
13 | of a power outage?

14 | A. No. Auxiliary power is not required due to the system's size.

15 | Q. Are the utility's water wells for Palm Port located in compliance with
16 | Rule 62-555, Florida Administrative Code?

17 | A. Yes.

18 | Q. Does the utility have certified operators as required by Rule 61E12-41,
19 | Florida Administrative Code?

20 | A. Yes.

21 | Q. Has the utility established a cross-connection control program in
22 | accordance with Rule 62-555.360, Florida Administrative Code?

23 | A. Yes. It is a utility-wide program.

24 | Q. Is the overall maintenance of the treatment plant and distribution
25 | facilities satisfactory?

1 A. Yes.

2 Q. Does the water produced by the utility meet the State and Federal
3 maximum contaminant levels for primary and secondary water quality standards?

4 A. Yes.

5 Q. Does the utility monitor the organic contaminants listed in Rule
6 62-550.410, Florida Administrative Code?

7 A. No. There is a waiver due to the utility's size.

8 Q. Do recent chemical analyses of raw and finished water, when compared to
9 regulations, suggest the need for additional treatment?

10 A. No.

11 Q. Does the utility maintain the required chlorine residual or its
12 equivalent throughout the distribution system?

13 A. Yes.

14 Q. Are the plant and distribution systems in compliance with all the other
15 provisions of Chapter 62, Florida Administrative Code, not previously
16 mentioned?

17 A. Yes.

18 Q. Has Palm Port been the subject of any FDEP enforcement action within the
19 past two years?

20 A. No.

21 **Pomona Park Water System**

22 Q. Does the utility have a current construction permit from the FDEP for
23 Pomona Park Water System (Pomona)?

24 A. No.

25 Q. Are the utility's treatment facilities and distribution system

- 1 | sufficient to serve its present customers?
- 2 | A. Yes.
- 3 | Q. Does the utility maintain the required 20 psi minimum pressure
- 4 | throughout the distribution system?
- 5 | A. Yes.
- 6 | Q. Does the utility have an adequate auxiliary power source in the event
- 7 | of a power outage?
- 8 | A. Yes.
- 9 | Q. Are the utility's water wells for Pomona Park located in compliance with
- 10 | Rule 62-555, Florida Administrative Code?
- 11 | A. Yes.
- 12 | Q. Does the utility have certified operators as required by Rule 61E12-41,
- 13 | Florida Administrative Code?
- 14 | A. Yes.
- 15 | Q. Has the utility established a cross-connection control program in
- 16 | accordance with Rule 62-555.360, Florida Administrative Code?
- 17 | A. Yes. It is a utility-wide program.
- 18 | Q. Is the overall maintenance of the treatment plant and distribution
- 19 | facilities satisfactory?
- 20 | A. Yes.
- 21 | Q. Does the water produced by the utility meet the State and Federal
- 22 | maximum contaminant levels for primary and secondary water quality standards?
- 23 | A. Yes.
- 24 | Q. Does the utility monitor the organic contaminants listed in Rule
- 25 | 62-550.410, Florida Administrative Code?

1 | A. Yes.

2 | Q. Do recent chemical analyses of raw and finished water, when compared to
3 | regulations, suggest the need for additional treatment?

4 | A. No.

5 | Q. Does the utility maintain the required chlorine residual or its
6 | equivalent throughout the distribution system?

7 | A. Yes.

8 | Q. Are the plant and distribution systems in compliance with all the other
9 | provisions of Chapter 62, Florida Administrative Code, not previously
10 | mentioned?

11 | A. Yes.

12 | Q. Has Pomona Park been the subject of any FDEP enforcement action within
13 | the past two years?

14 | A. No.

15 | River Grove Water System

16 | Q. Does the utility have a current construction permit from the FDEP for
17 | River Grove Water System (River Grove)?

18 | A. Yes, a general permit for corrosion control.

19 | Q. Are the utility's treatment facilities and distribution system
20 | sufficient to serve its present customers?

21 | A. Yes.

22 | Q. Does the utility maintain the required 20 psi minimum pressure
23 | throughout the distribution system?

24 | A. Yes.

25 | Q. Does the utility have an adequate auxiliary power source in the event

- 1 | of a power outage?
- 2 | A. No. Due to River Grove's size, auxiliary power is not required.
- 3 | Q. Are the utility's water wells for River Grove located in compliance with
- 4 | Rule 62-555, Florida Administrative Code?
- 5 | A. Yes.
- 6 | Q. Does the utility have certified operators as required by Rule 61E12-41,
- 7 | Florida Administrative Code?
- 8 | A. Yes.
- 9 | Q. Has the utility established a cross-connection control program in
- 10 | accordance with Rule 62-555.360, Florida Administrative Code?
- 11 | A. Yes. It is a utility-wide program.
- 12 | Q. Is the overall maintenance of the treatment plant and distribution
- 13 | facilities satisfactory?
- 14 | A. Yes.
- 15 | Q. Does the water produced by the utility meet the State and Federal
- 16 | maximum contaminant levels for primary and secondary water quality standards?
- 17 | A. Yes.
- 18 | Q. Does the utility monitor the organic contaminants listed in Rule
- 19 | 62-550.410, Florida Administrative Code?
- 20 | A. Yes.
- 21 | Q. Do recent chemical analyses of raw and finished water, when compared to
- 22 | regulations, suggest the need for additional treatment?
- 23 | A. No.
- 24 | Q. Does the utility maintain the required chlorine residual or its
- 25 | equivalent throughout the distribution system?

1 A. Yes.

2 Q. Are the plant and distribution systems in compliance with all the other
3 provisions of Chapter 62, Florida Administrative Code, not previously
4 mentioned?

5 A. Yes.

6 Q. Has River Grove been the subject of any FDEP enforcement action within
7 the past two years?

8 A. No.

9 Silver Lake Oaks Water System

10 Q. Does the utility have a current construction permit from the FDEP for
11 Silver Lake Oaks Water System (Silver Lake Oaks)?

12 A. No.

13 Q. Are the utility's treatment facilities and distribution system
14 sufficient to serve its present customers?

15 A. Yes.

16 Q. Does the utility maintain the required 20 psi minimum pressure
17 throughout the distribution system?

18 A. Yes.

19 Q. Does the utility have an adequate auxiliary power source in the event
20 of a power outage?

21 A. No. It is not required due to Silver Lake Oaks' size.

22 Q. Are the utility's water wells for Silver Lake Oaks located in compliance
23 with Rule 62-555, Florida Administrative Code?

24 A. Yes.

25 Q. Does the utility have certified operators as required by Rule 61E12-41,

- 1 | Florida Administrative Code?
- 2 | A. Yes.
- 3 | Q. Has the utility established a cross-connection control program in
4 | accordance with Rule 62-555.360, Florida Administrative Code?
- 5 | A. Yes. It is a utility-wide program.
- 6 | Q. Is the overall maintenance of the treatment plant and distribution
7 | facilities satisfactory?
- 8 | A. Yes.
- 9 | Q. Does the water produced by the utility meet the State and Federal
10 | maximum contaminant levels for primary and secondary water quality standards?
- 11 | A. Yes.
- 12 | Q. Does the utility monitor the organic contaminants listed in Rule
13 | 62-550.410, Florida Administrative Code?
- 14 | A. No. The system has a waiver due to its size.
- 15 | Q. Do recent chemical analyses of raw and finished water, when compared to
16 | regulations, suggest the need for additional treatment?
- 17 | A. No.
- 18 | Q. Does the utility maintain the required chlorine residual or its
19 | equivalent throughout the distribution system?
- 20 | A. Yes.
- 21 | Q. Are the plant and distribution systems in compliance with all the other
22 | provisions of Chapter 62, Florida Administrative Code, not previously
23 | mentioned?
- 24 | A. Yes.
- 25 | Q. Has Silver Lake Oaks been the subject of any FDEP enforcement action

1 | within the past two years?

2 | A. No.

3 | St. John's Highlands Water System

4 | Q. Does the utility have a current construction permit from the FDEP for
5 | St. John's Highlands Water System (St. John's Highlands)?

6 | A. No.

7 | Q. Are the utility's treatment facilities and distribution system
8 | sufficient to serve its present customers?

9 | A. Yes.

10 | Q. Does the utility maintain the required 20 psi minimum pressure
11 | throughout the distribution system?

12 | A. Yes.

13 | Q. Does the utility have an adequate auxiliary power source in the event
14 | of a power outage?

15 | A. Yes. The St. John's Highlands system is interconnected to Hermit's Cove
16 | water treatment plant.

17 | Q. Are the utility's water wells for St. John's Highlands located in
18 | compliance with Rule 62-555, Florida Administrative Code?

19 | A. Yes.

20 | Q. Does the utility have certified operators as required by Rule 61E12-41,
21 | Florida Administrative Code?

22 | A. Yes.

23 | Q. Has the utility established a cross-connection control program in
24 | accordance with Rule 62-555.360, Florida Administrative Code?

25 | A. Yes. It is a utility-wide program.

1 Q. Is the overall maintenance of the treatment plant and distribution
2 facilities satisfactory?

3 A. Yes.

4 Q. Does the water produced by the utility meet the State and Federal
5 maximum contaminant levels for primary and secondary water quality standards?

6 A. No. Total Dissolved Solids are 900 mg, Chloride - 300 mg.

7 Q. Does the utility monitor the organic contaminants listed in Rule
8 62-550.410, Florida Administrative Code?

9 A. No. The system has a waiver due to its size.

10 Q. Do recent chemical analyses of raw and finished water, when compared to
11 regulations, suggest the need for additional treatment?

12 A. Yes. Treatment is necessary to remove chloride.

13 Q. Does the utility maintain the required chlorine residual or its
14 equivalent throughout the distribution system?

15 A. Yes.

16 Q. Are the plant and distribution systems in compliance with all the other
17 provisions of Chapter 62, Florida Administrative Code, not previously
18 mentioned?

19 A. Yes.

20 Q. Has St. John's Highlands been the subject of any FDEP enforcement action
21 within the past two years?

22 A. No.

23 Welaka/Saratoga Harbour Water System

24 Q. Does the utility have a current construction permit from the FDEP for
25 Welaka/Saratoga Harbour Water System (Welaka/Saratoga Harbour)?

1 A. Yes. A permit for hydropneumatic tank capacity increase/replacement at
2 the Welaka mobile home park.

3 Q. Are the utility's treatment facilities and distribution system
4 sufficient to serve its present customers?

5 A. Yes.

6 Q. Does the utility maintain the required 20 psi minimum pressure
7 throughout the distribution system?

8 A. Yes.

9 Q. Does the utility have an adequate auxiliary power source in the event
10 of a power outage?

11 A. No, it is not required due to the size of the individual systems. The
12 interconnect is normally kept closed.

13 Q. Are the utility's water wells for Welaka/Saratoga Harbour located in
14 compliance with Rule 62-555, Florida Administrative Code?

15 A. Yes.

16 Q. Does the utility have certified operators as required by Rule 61E12-41,
17 Florida Administrative Code?

18 A. Yes.

19 Q. Has the utility established a cross-connection control program in
20 accordance with Rule 62-555.360, Florida Administrative Code?

21 A. Yes. SSU has one program for all of its systems.

22 Q. Is the overall maintenance of the treatment plant and distribution
23 facilities satisfactory?

24 A. Yes.

25 Q. Does the water produced by the utility meet the State and Federal

1 maximum contaminant levels for primary and secondary water quality standards?

2 A. Yes.

3 Q. Does the utility monitor the organic contaminants listed in Rule
4 62-550.410, Florida Administrative Code?

5 A. No. This system has a waiver due to its size.

6 Q. Do recent chemical analyses of raw and finished water, when compared to
7 regulations, suggest the need for additional treatment?

8 A. No.

9 Q. Does the utility maintain the required chlorine residual or its
10 equivalent throughout the distribution system?

11 A. Yes.

12 Q. Are the plant and distribution systems in compliance with all the other
13 provisions of Chapter 62, Florida Administrative Code, not previously
14 mentioned?

15 A. Yes.

16 Q. Has Welaka/Saratoga Harbour been the subject of any FDEP enforcement
17 action within the past two years?

18 A. No.

19 Wootens Water System

20 Q. Does the utility have a current construction permit from the FDEP for
21 Wootens Water System (Wootens)?

22 A. Yes, for an operator addition.

23 Q. Are the utility's treatment facilities and distribution system
24 sufficient to serve its present customers?

25 A. Yes.

- 1 Q. Does the utility maintain the required 20 psi minimum pressure
2 throughout the distribution system?
- 3 A. Yes.
- 4 Q. Does the utility have an adequate auxiliary power source in the event
5 of a power outage?
- 6 A. No, it is not required due to Wootens' size.
- 7 Q. Are the utility's water wells for Wootens located in compliance with
8 Rule 62-555, Florida Administrative Code?
- 9 A. Yes.
- 10 Q. Does the utility have certified operators as required by Rule 61E12-41,
11 Florida Administrative Code?
- 12 A. Yes.
- 13 Q. Has the utility established a cross-connection control program in
14 accordance with Rule 62-555.360, Florida Administrative Code?
- 15 A. Yes. It is a utility-wide program.
- 16 Q. Is the overall maintenance of the treatment plant and distribution
17 facilities satisfactory?
- 18 A. Yes.
- 19 Q. Does the water produced by the utility meet the State and Federal
20 maximum contaminant levels for primary and secondary water quality standards?
- 21 A. No. TDS 630 mg, and odor no. 8 should be corrected with aerator
22 addition.
- 23 Q. Does the utility monitor the organic contaminants listed in Rule
24 62-550.410, Florida Administrative Code?
- 25 A. No. There is a waiver due to the system's size.

1 Q. Do recent chemical analyses of raw and finished water, when compared to
2 regulations, suggest the need for additional treatment?

3 A. Yes. An aerator to be installed.

4 Q. Does the utility maintain the required chlorine residual or its
5 equivalent throughout the distribution system?

6 A. Yes.

7 Q. Are the plant and distribution systems in compliance with all the other
8 provisions of Chapter 62, Florida Administrative Code, not previously
9 mentioned?

10 A. Yes.

11 Q. Has Wootens been the subject of any FDEP enforcement action within the
12 past two years?

13 A. No. There was a consent order regarding the aerator addition, but that
14 case is more than two years old.

15 Geneva Lake Estates Water System

16 Q. Does the utility have a current construction permit from the FDEP for
17 Geneva Lake Estates Water System (Geneva Lake Estates)?

18 A. No.

19 Q. Are the utility's treatment facilities and distribution system
20 sufficient to serve its present customers?

21 A. Yes.

22 Q. Does the utility maintain the required 20 psi minimum pressure
23 throughout the distribution system?

24 A. Yes.

25 Q. Does the utility have an adequate auxiliary power source in the event

1 | of a power outage?

2 | A. No. It is not required because the system serves less than 350 people.

3 | Q. Are the utility's water wells for Geneva Lake Estates located in
4 | compliance with Rule 62-555, Florida Administrative Code?

5 | A. Yes.

6 | Q. Does the utility have certified operators as required by Rule 61E12-41,
7 | Florida Administrative Code?

8 | A. Yes.

9 | Q. Has the utility established a cross-connection control program in
10 | accordance with Rule 62-555.360, Florida Administrative Code?

11 | A. Yes. SSU has a standard plan on file.

12 | Q. Is the overall maintenance of the treatment plant and distribution
13 | facilities satisfactory?

14 | A. Yes.

15 | Q. Does the water produced by the utility meet the State and Federal
16 | maximum contaminant levels for primary and secondary water quality standards?

17 | A. Yes.

18 | Q. Does the utility monitor the organic contaminants listed in Rule
19 | 62-550.410, Florida Administrative Code?

20 | A. Yes.

21 | Q. Do recent chemical analyses of raw and finished water, when compared to
22 | regulations, suggest the need for additional treatment?

23 | A. No.

24 | Q. Does the utility maintain the required chlorine residual or its
25 | equivalent throughout the distribution system?

1 A. Yes.

2 Q. Are the plant and distribution systems in compliance with all the other
3 provisions of Chapter 62, Florida Administrative Code, not previously
4 mentioned?

5 A. Yes.

6 Q. Has Geneva Lake Estates been the subject of any FDEP enforcement action
7 within the past two years?

8 A. No.

9 Keystone Club Estates Water System

10 Q. Does the utility have a current construction permit from the FDEP for
11 Keystone Club Estates Water System (Keystone Club Estates)?

12 A. No.

13 Q. Are the utility's treatment facilities and distribution system
14 sufficient to serve its present customers?

15 A. Yes.

16 Q. Does the utility maintain the required 20 psi minimum pressure
17 throughout the distribution system?

18 A. Yes.

19 Q. Does the utility have an adequate auxiliary power source in the event
20 of a power outage?

21 A. No. It is not required because the system serves less than 350 people.

22 Q. Are the utility's water wells for Keystone Club Estates located in
23 compliance with Rule 62-555, Florida Administrative Code?

24 A. Yes.

25 Q. Does the utility have certified operators as required by Rule 61E12-41,

- 1 | Florida Administrative Code?
- 2 | A. Yes.
- 3 | Q. Has the utility established a cross-connection control program in
4 | accordance with Rule 62-555.360, Florida Administrative Code?
- 5 | A. Yes. SSU has a standard plan on file.
- 6 | Q. Is the overall maintenance of the treatment plant and distribution
7 | facilities satisfactory?
- 8 | A. Yes.
- 9 | Q. Does the water produced by the utility meet the State and Federal
10 | maximum contaminant levels for primary and secondary water quality standards?
- 11 | A. Yes.
- 12 | Q. Does the utility monitor the organic contaminants listed in Rule
13 | 62-550.410, Florida Administrative Code?
- 14 | A. Yes.
- 15 | Q. Do recent chemical analyses of raw and finished water, when compared to
16 | regulations, suggest the need for additional treatment?
- 17 | A. No.
- 18 | Q. Does the utility maintain the required chlorine residual or its
19 | equivalent throughout the distribution system?
- 20 | A. Yes.
- 21 | Q. Are the plant and distribution systems in compliance with all the other
22 | provisions of Chapter 62, Florida Administrative Code, not previously
23 | mentioned?
- 24 | A. Yes.
- 25 | Q. Has Keystone Club Estates been the subject of any FDEP enforcement

1 | action within the past two years?

2 | A. None.

3 | Q. Do you have anything further to add?

4 | A. No, I do not.

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1 MS. O'SULLIVAN: The witness is tendered for
2 cross.

3 CHAIRMAN CLARK: Mr. McLean.

4 MR. TWOMEY: I don't think he has any
5 questions.

6 CHAIRMAN CLARK: Mr. Jacobs.

7 MR. JACOBS: No questions.

8 CHAIRMAN CLARK: Mr. Twomey.

9 MR. TWOMEY: Yes, ma'am.

10 **CROSS EXAMINATION**

11 BY MR. TWOMEY:

12 Q Can you hear me, Ms. Rodriguez?

13 A Yes, I can.

14 Q Good afternoon.

15 A Good afternoon.

16 Q I want to just go from your testimony front
17 to back and ask you some questions about some of your
18 comments on the different systems, okay?

19 A Okay.

20 Q Starting with Page 3, with respect to the
21 Beacon Hills water treatment plant, you indicate that
22 the lead action level was exceeded; is that correct?

23 A Yes, it was. It was indicated that it was
24 exceeding, lead.

25 Q And in fact, your -- you indicate that the

1 regulation of the public water systems in Duval County
2 has been delegated to the HRS there; is that correct?

3 A That's correct.

4 Q Now you have also attached as an exhibit to
5 your testimony BRR-2, a copy of the letter from HRS in
6 Duval County to Mr. Terrero, correct?

7 A That's true, that's part of that exhibit.

8 Q And my question is do you routinely get
9 copies of correspondence between the HRS and the
10 utilities you're responsible for?

11 A Most of the time. No every time, but we do
12 receive frequently copies, not in every document.

13 Q Okay. Now what, what role specifically is
14 delegated to the HRS? Are they responsible for seeing
15 that the Beacon Hills system is brought into
16 compliance, or is DEP -- excuse me, is DEP still has
17 responsibility for seeing that the actual corrective
18 actions are taken with regard to the water itself?

19 A Well, when we delegate the delegation of the
20 drinking water program to some approved county health
21 department we do by interagency agreement between DEP
22 and HRS. and when we delegate the program to those
23 counties, we delegate basically all the program. We
24 are still involved on the nine-month review of those
25 approved county health units; but basically on a daily

1 basis, they are in charge of the permitting compliance
2 and enforcement activities.

3 Q Okay, so --

4 A I mean, those facilities located in those
5 counties.

6 Q So it's HRS is responsible for not only
7 detecting that there is a lead exceedance, for
8 example, but also seeing that the Company actually
9 carries out the necessary corrective action; is that
10 correct?

11 A That's correct. That's correct. They are
12 responsible for acknowledge that there is exceedance
13 and they are also responsible that the problem be
14 resolved.

15 Q Okay. So I, would I be correct in assuming
16 that you don't, you don't know whether or not SSU
17 carried out public education requirements referenced
18 in Mr. Carter's letter to Mr. Terrero; is that
19 correct?

20 A Yes. At this point, I have having some
21 communications with the approved county health unit
22 regarding this prefiled testimony on these three
23 plants and the education program is still needed at
24 this point.

25 Q It is still needed?

1 A It is still needed.

2 Q Okay.

3 A That's the information that I received from
4 them.

5 Q And who did you hear that from?

6 A I'm sorry, it was done. I have here with me
7 in the room the supervisor of the Duval County Health
8 Department, Mr. Thomas Hamilton, and he is indicating
9 to me that it was done.

10 Q Oh, Mr. Hamilton is there?

11 A Mr. Hamilton, he prepared basically the
12 prefiled testimony of the three plants in Duval
13 County.

14 Q Okay.

15 A Yeah. And he is here.

16 Q And Mr. Hamilton is indicating to you that
17 the education program has been accomplished; is that
18 right?

19 A Exactly. He is indicating that to me right
20 now.

21 Q You indicated in your corrections that,
22 apparently, that Well No. 2 is back on line for
23 Keystone Heights?

24 A That's true, yeah. It was, it is on line.

25 Q Okay. And did you also say with respect to

1 Keystone Heights that, on Page 8, that --

2 A Yes.

3 Q -- something has been done to correct the
4 bacteriological clearance?

5 A The bacteriological clearing was done. And
6 on December of '95 we received satisfactory analysis,
7 20 satisfactory analysis and that well was put back on
8 line.

9 Q Okay, thank you. Would you turn to Page 14
10 of your testimony, please.

11 A Yes.

12 Q You indicate that Palm Valley is a
13 consecutive water system with distribution facilities
14 only; is that right?

15 A That's right. Palm Valley was, is a
16 consecutive water system where the water is being
17 served by the Intercoastal Utility water plant. Only
18 the distribution system owned by Southern States
19 Utilities.

20 Q Okay. And so that means they are physically
21 interconnected by a water main, right?

22 A That's true. They are physically connected.

23 Q Okay. So they are, they are, they are
24 functionally related in an engineering sense in that
25 regard; is that correct?

1 A That's true. That's true.

2 Q Okay. Now do you personally visit and
3 inspect Palm Valley's system or is that one of your
4 other six people?

5 A It was, yeah, that portion of this prefiled
6 testimony, the Palm Valley, was prepared by one of my
7 people.

8 Q Okay.

9 A And basically we prepared the prefiled
10 testimony based on the records on file. Because it is
11 a distribution system, sometimes, you know, there's
12 too much to see on the file -- on the field.

13 Q Sure. Now your testimony indicates at
14 Line 7 that the water mains were replaced and upgraded
15 in 1992 and 1993 and that the interconnection with
16 Intercoastal was made in 1993. And what I want to ask
17 you is, isn't it essentially correct that most of the
18 water mains and distribution system of that utility
19 were, were virtually completely replaced? Or do you
20 know?

21 A That's correct, that's correct. At that
22 time, most of the mains and distribution system of the
23 Palm Valley system was upgraded in 1992 and 1993.

24 Q Okay. Were -- was the utility required by
25 DEP to make those replacements and upgrades?

1 A Yeah. It was requested because the
2 conditions of the distribution system at that time was
3 very in poor conditions. And we requested that the
4 distribution system be improved. And they went and,
5 as requested by the department, they did replace all
6 the old mains by new mains. The Palm Valley was
7 improved tremendously.

8 Q How long, if you know, how long had the Palm
9 Valley system been in that state of disrepair with
10 those problems?

11 A How long was before they, before the
12 improvements?

13 Q No. Rather, had it been in very bad
14 condition for -- for how many years had it been in bad
15 condition, the Palm Valley system?

16 A Well, it was, it was in bad conditions
17 probably -- I cannot say exactly the number of years,
18 but was for some time, maybe four, five years, before
19 the improvement happened.

20 Q Okay. If you know, was it essentially in
21 that bad condition when Southern States Utilities
22 bought it?

23 A Yes. It was in bad conditions before
24 Southern States bought it.

25 Q And should the, should the state of its

1 maintenance or disrepair have been observable to the
2 utility purchasing it?

3 MR. ARMSTRONG: Objection. Madam Chair, the
4 witness did not say anything about maintenance. I
5 just wanted to be clear we are not putting words in
6 her mouth.

7 CHAIRMAN CLARK: Mr. Twomey?

8 MR. TWOMEY: Well, we're talking about she
9 says that the water mains were replaced and upgraded
10 in 1992 and 1993. I'm curious to see how long those
11 conditions existed before it was repaired. If she
12 knows.

13 CHAIRMAN CLARK: Ask that question.

14 MR. TWOMEY: Yes.

15 Q (By Mr. Twomey) You heard the question?

16 A Well, it was in poor conditions at the time
17 that Southern States Utilities bought the system. And
18 I guess that they was aware that the conditions was in
19 that way.

20 But how long was, I guess Palm Valley was a
21 old system when Southern States Utility bought that
22 system. This means that what is the, how long they,
23 that Palm Valley system was in bad conditions, I
24 really didn't have the number of years or from when.
25 But that was an old utility that was bought by

1 Southern States Utilities; and at the time they bought
2 the utility, it was in very poor condition.

3 Q Very poor condition?

4 A Yes.

5 Q Now when it was in very poor condition
6 before SSU bought it, was the system under any type of
7 penalty, or notice, consent agreement, or that type of
8 thing by the DEP?

9 A It was a number of enforcement activities
10 happening along the way.

11 Q I see. I see. Okay. Now you say that it
12 no longer has wells and it is interconnected and gets
13 its water from Intercoastal, correct?

14 A That's true.

15 Q Okay. Would you turn to Page 17, please.

16 A Yes, uh-huh.

17 Q With respect to the Beecher's Point water
18 system, you indicate at Line 24 that it is a
19 consecutive water system with the town of Welaka, I
20 guess?

21 A Welaka. Yes, that's correct. It is a
22 consecutive water system where the distribution system
23 is corrected or is distributing water from the town of
24 Welaka.

25 Q Okay. So I guess in the same sense that you

1 said with respect to Palm Valley, this system is
2 functionally related in an engineering sense with the
3 town of the Welaka's water treatment plant?

4 A That's correct.

5 Q Okay.

6 A Yeah, that's correct.

7 Q On the next page, Ms. Rodriguez, Page 18,
8 the question is asked at Line 13, "Has the utility
9 established a cross-connection control program in
10 accordance with Rule 62-555.360, Florida
11 Administrative Code?"

12 And you answer, "Yes. SSU established one
13 program for all of its systems." Correct?

14 A That's true, the cross-connection control
15 program is applicable to all the Southern States
16 Utilities and they are very active on that program.

17 Q Okay. Now when you refer to -- how many,
18 when you say all of its systems, how many do you have
19 in mind?

20 A Well, right now, we, we prefiled testimony
21 here for 23 plants.

22 Q I'm sorry, how many?

23 A 23.

24 Q Okay.

25 A 23 plants. This means that we, this

1 cross-connection control program is established in all
2 of these plants.

3 Q So when you are saying "systems," you mean
4 each of the plants you have responsibility for?

5 A That's true.

6 MR. TWOMEY: Okay. That's all I have,
7 Ms. Rodriguez. Thank you very much for your time.

8 CHAIRMAN CLARK: Mr. Armstrong?

9 MR. ARMSTRONG: No redirect.

10 CHAIRMAN CLARK: I don't think she's your
11 witness.

12 MR. ARMSTRONG: Not redirect. No questions
13 is what I mean.

14 CHAIRMAN CLARK: Staff?

15 MS. O'SULLIVAN: Staff has no redirect.

16 Thank you, Ms. Rodriguez.

17 CHAIRMAN CLARK: Thank you, Ms. Rodriguez.

18 (Witness Rodriguez excused.)

19 - - - - -

20 CHAIRMAN CLARK: The next person we have is
21 Ms. Smeltzer?

22 MS. O'SULLIVAN: Yes.

23 CHAIRMAN CLARK: Maggie -- sorry.

24 Ms. O'Sullivan, do you move Exhibit 203 into the
25 record?

1 MS. O'SULLIVAN: I will do that right now.

2 CHAIRMAN CLARK: Okay. Without objection,
3 Exhibit No. 203 is entered into the record.

4 (Exhibit No. 203 received in evidence.)

5 (Witness Rodriguez excused.)

6 - - - - -

7 KRISTEN SMELTZER

8 was called via teleconferencing as a rebuttal witness
9 on behalf of the Staff of the Florida Public Service
10 Commission and, having been duly sworn, testified as
11 follows:

12 DIRECT EXAMINATION

13 BY MS. O'SULLIVAN:

14 Q You hear me all right?

15 A Yes.

16 Q All right, thank you.

17 Please state your name and business address?

18 A It's Kristen Smeltzer. I'm at 7825

19 Baymeadows Way, Suite 200B, Jacksonville, Florida,
20 32256.

21 Q Have you prefiled direct testimony in this
22 docket consisting of 15 pages?

23 A Yes, I have.

24 Q Do you have any corrections or changes to
25 your testimony?

1 A Yes, I do.

2 Q What will those be?

3 A On Page 2, regarding the Amelia Island,
4 there is a clarification. The construction permit
5 application on Line 5 is DC45, not DC4S.

6 And then Line 12 -- can you hear me?

7 Q Yes, we sure can.

8 A Okay, sorry. My answer has been changed to,
9 "Yes." After I completed this, they submitted the
10 certification demonstrating that they put the changes
11 on line, so the plant has now, the upgrades have been
12 finished, so the capacity of the plant has been
13 increased. So the answer has been changed to yes.

14 Q Are those all your changes?

15 A Yes.

16 Q All right. With those corrections, if I
17 were to ask you the same questions today, would your
18 testimony be the same?

19 A Yes.

20 MS. O'SULLIVAN: Chairman Clark, may we have
21 Ms. Smeltzer's testimony inserted in the record as
22 though read?

23 CHAIRMAN CLARK: The direct testimony of
24 Kristen Smeltzer will be inserted into the record as
25 though read.

1 COMMISSIONER KIESLING: May I make a request
2 for a clarification?

3 On Page 2, Line 12, should the answer just
4 be "Yes," period, and the rest of that line and the
5 next one deleted?

6 WITNESS SMELTZER: Yes.

7 COMMISSIONER KIESLING: Okay.

8 MS. O'SULLIVAN: Thank you.

9 Q (By Ms. Sullivan) And Ms. Smeltzer, you had
10 no exhibits attached to your testimony, did you?

11 A No exhibits.

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1 DIRECT TESTIMONY OF KRISTEN SMELTZER

2 Q. Please state your name and business address.

3 A. Kristen Smeltzer, 7825 Bay Meadows Way, Suite 200B, Jacksonville,
4 Florida 32256-7590.

5 Q. Please state a brief description of your educational background and
6 experience.

7 A. I have a Civil Engineering degree and am a Professional Engineer,
8 license number 0046706.

9 Q. By whom are you presently employed?

10 A. I am employed by the Florida Department of Environmental Protection
11 (FDEP).

12 Q. How long have you been employed with the FDEP and in what capacity?

13 A. I have worked for the Department for 7 years as an engineer in both the
14 Drinking Water Section (4 years) and the Domestic Waste Section (3 years).

15 Q. What are your general responsibilities at the FDEP?

16 A. Presently, I am the compliance and enforcement supervisor for the
17 Domestic Waste Section. I supervise 5 employees and make the CSE decisions
18 for the section.

19 Q. Are you familiar with the Southern States Utilities, Inc. wastewater
20 systems located in Northeast District?

21 A. Yes.

22 Q. Were these systems inspected by you, or by staff under your supervision?

23 A. Yes.

24 Amelia Island Wastewater System

25 Q. Does the utility have current operating or construction permits from the

- 1 FDEP for Amelia Island Wastewater System (Amelia Island)?
- 2 A. Yes.
- 3 Q. Please state the issuance dates and the expiration dates of the
4 operating or construction permits.
- 5 A. They are: DC4⁵-260421, to modify plant, issued April 24, 1995 which
6 expires April 24, 1997, and D045-224076, for the operating permit, issued July
7 7, 1993, which expires July 7, 1998.
- 8 Q. Are the plants in compliance with FDEP issued permits?
- 9 A. Yes.
- 10 Q. Are the wastewater collection, treatment and disposal facilities
11 adequate to serve present customers based on permitted capacity?
- 12 A. ^{Yes.} ~~No. The plant is running at capacity.~~ Permit DC4⁵-260421 raises
13 capacity from .850 to .950 MGD.
- 14 Q. Are the treatment and disposal facilities located in accordance with
15 Rule 62-600, Florida Administrative Code?
- 16 A. Yes.
- 17 Q. Has the FDEP required the utility to take any action so as to minimize
18 possible adverse effects resulting from odors, noise, aerosol drift or
19 lighting?
- 20 A. No.
- 21 Q. Do the pump stations and lift stations meet FDEP requirements with
22 respect to location, reliability and safety?
- 23 A. Yes.
- 24 Q. Does the utility have certified operators as required by Rule 61E12-41,
25 Florida Administrative Code?

1 | A. Yes.

2 | Q. Is the overall maintenance of the treatment, collection, and disposal
3 | facilities satisfactory?

4 | A. Yes.

5 | Q. Does the facility meet the effluent disposal requirements of Rules
6 | 62-600 and 62-610, Florida Administrative Code?

7 | A. Yes.

8 | Q. Are the collection, treatment and disposal facilities in compliance with
9 | all the other provisions of Chapter 62, Florida Administrative Code, not
10 | previously mentioned?

11 | A. Yes.

12 | Q. Has Amelia Island wastewater system been the subject of any FDEP
13 | enforcement action within the past two years?

14 | A. No.

15 | Q. Do you have anything further to add regarding the Amelia Island plant?

16 | A. This year the excessive rain caused problems. The golf course did not
17 | need the effluent and the storage pond overflowed. If these problems persist,
18 | our Department would want the utility to construct a wet weather discharge.
19 | This issue was raised during last permit review. Also, the utility should
20 | have an Inflow/Infiltration (I/I) program. The Department is unaware of any
21 | efforts on the utility's part to track flow vs. rain or track run times of
22 | lift station pumps vs. rain to determine if there is a significant problem.
23 | In addition, we do not know if they actively smoke test or TV portions of
24 | their lines and make repairs as necessary. The question has not been raised
25 | during permit review or inspections. The utility did not address I/I in their

1 Capacity Analyses Report.

2 Beacon Hills Wastewater System

3 Q. Does the utility have current operating or construction permits from the
4 FDEP for Beacon Hills Wastewater System (Beacon Hills)?

5 A. Yes.

6 Q. Please state the issuance dates and the expiration dates of the
7 operating or construction permits.

8 A. Permit DO 16-213087 was issued March 25, 1993 and will expire on June
9 10, 1997. The state operating permit was merged with the National Pollutant
10 Discharge Elimination System (NPDES) permit on May 1, 1995 and set to expire
11 at the earliest date. The NPDES permit expired July 31, 1995. The utility
12 applied to the Environmental Protection Agency (EPA) for a new permit. On May
13 1, 1995, its application was transferred to our Department for processing.
14 The application is currently under review. The previous permit has been
15 extended administratively until the new permit is issued.

16 Q. Are the plants in compliance with FDEP issued permits?

17 A. Yes.

18 Q. Are the wastewater collection, treatment and disposal facilities
19 adequate to serve present customers based on permitted capacity?

20 A. Yes.

21 Q. Are the treatment and disposal facilities located in accordance with
22 Rule 62-600, Florida Administrative Code?

23 A. Yes.

24 Q. Has the FDEP required the utility to take any action so as to minimize
25 possible adverse effects resulting from odors, noise, aerosol drift or

1 | lighting?

2 | A. No.

3 | Q. Do the pump stations and lift stations meet FDEP requirements with
4 | respect to location, reliability and safety?

5 | A. Yes.

6 | Q. Does the utility have certified operators as required by Rule 61E12-41,
7 | Florida Administrative Code?

8 | A. Yes.

9 | Q. Is the overall maintenance of the treatment, collection, and disposal
10 | facilities satisfactory?

11 | A. Yes.

12 | Q. Does the facility meet the effluent disposal requirements of Rules
13 | 62-600 and 62-610, Florida Administrative Code?

14 | A. Yes.

15 | Q. Are the collection, treatment and disposal facilities in compliance with
16 | all the other provisions of Chapter 62, Florida Administrative Code, not
17 | previously mentioned?

18 | A. Yes.

19 | Q. Has Beacon Hills wastewater system been the subject of any FDEP
20 | enforcement action within the past two years?

21 | A. No.

22 | Q. Do you have anything further to add regarding the Beacon Hills system?

23 | A. We are presently waiting on additional information to process the permit
24 | application including the capacity analyses report. Once we review this
25 | information we may have questions about their efforts to control

1 | infiltration/inflow problems. The Department's policy is to reduce as much
2 | effluent discharging to surface water as possible by requiring the utility to
3 | write a reuse feasibility report. When feasible, the utility should move
4 | their effluent discharge to a land application site.

5 | Woodmere Wastewater System

6 | Q. Does the utility have current operating or construction permits from the
7 | FDEP for Woodmere Wastewater System (Woodmere)?

8 | A. Yes.

9 | Q. Please state the issuance dates and the expiration dates of the
10 | operating or construction permits.

11 | A. The system's operating permit is DO 16-194530, issued August 6, 1991
12 | which will expire April 30, 1996. On May 1, 1995, this was merged with the
13 | NPDES permit FL0026786 which expired September 30, 1995. The merged permit
14 | expires on the earliest date. The utility company had applied to EPA for a
15 | permit renewal. That application was transferred to the state for processing.
16 | The old permit has been administratively extended until a new permit is
17 | issued.

18 | Q. Are the plants in compliance with FDEP issued permits?

19 | A. Yes.

20 | Q. Are the wastewater collection, treatment and disposal facilities
21 | adequate to serve present customers based on permitted capacity?

22 | A. Yes. The utility has a tie-in with the University of West Florida's
23 | Monterey Plant. It is difficult to determine how much flow if any is being
24 | sent to Monterey each month. The flows to the plant are above or at 80%
25 | capacity.

1 Q. Are the treatment and disposal facilities located in accordance with
2 Rule 62-600, Florida Administrative Code?

3 A. Yes.

4 Q. Has the FDEP required the utility to take any action so as to minimize
5 possible adverse effects resulting from odors, noise, aerosol drift or
6 lighting?

7 A. No.

8 Q. Do the pump stations and lift stations meet FDEP requirements with
9 respect to location, reliability and safety?

10 A. Yes.

11 Q. Does the utility have certified operators as required by Rule 61E12-41,
12 Florida Administrative Code?

13 A. Yes.

14 Q. Is the overall maintenance of the treatment, collection, and disposal
15 facilities satisfactory?

16 A. Yes.

17 Q. Does the facility meet the effluent disposal requirements of Rules
18 62-600 and 62-610, Florida Administrative Code?

19 A. Yes.

20 Q. Are the collection, treatment and disposal facilities in compliance with
21 all the other provisions of Chapter 62, Florida Administrative Code, not
22 previously mentioned?

23 A. Yes.

24 Q. Has Woodmere wastewater system been the subject of any FDEP enforcement
25 action within the past two years?

1 | A. No.

2 | Q. Do you have anything further to add regarding this system?

3 | A. The physical plant is old and may be beyond its design life. The entire
4 | plant either needs an overhaul or should be replaced. We do not have any
5 | information as to if the facility has an Inflow/Infiltration program or
6 | problem. As stated above, the Department's policy is to reduce as much
7 | effluent discharging to surface water as possible by requiring the utility to
8 | write a reuse feasibility report. When feasible, their effluent discharge
9 | should move to a land application site or reuse site.

10 | Beecher's Point Wastewater System

11 | Q. Does the utility have current operating or construction permits from the
12 | FDEP for Beecher's Point Wastewater System (Beecher's Point)?

13 | A. Yes.

14 | Q. Please state the issuance dates and the expiration dates of the
15 | operating or construction permits.

16 | A. Permit No. FLA017732 (D054-230629) was issued June 24, 1993 and expires
17 | June 24, 1998.

18 | Q. Are the plants in compliance with FDEP issued permits?

19 | A. Yes.

20 | Q. Are the wastewater collection, treatment and disposal facilities
21 | adequate to serve present customers based on permitted capacity?

22 | A. No. The effluent disposal site (perc ponds) are not able to handle the
23 | effluent discharge and are failing. Until just recently the pond water was
24 | being hauled to Welaka in order to prevent them from discharging. The utility
25 | has had a report prepared to find a new discharge location.

1 Q. Are the treatment and disposal facilities located in accordance with
2 Rule 62-600, Florida Administrative Code?

3 A. Yes.

4 Q. Has the FDEP required the utility to take any action so as to minimize
5 possible adverse effects resulting from odors, noise, aerosol drift or
6 lighting?

7 A. No.

8 Q. Do the pump stations and lift stations meet FDEP requirements with
9 respect to location, reliability and safety?

10 A. Yes.

11 Q. Does the utility have certified operators as required by Rule 61E12-41,
12 Florida Administrative Code?

13 A. Yes.

14 Q. Is the overall maintenance of the treatment, collection, and disposal
15 facilities satisfactory?

16 A. Yes.

17 Q. Does the facility meet the effluent disposal requirements of Rules
18 62-600 and 62-610, Florida Administrative Code?

19 A. Yes. Except for the fact that the ponds are failing.

20 Q. Are the collection, treatment and disposal facilities in compliance with
21 all the other provisions of Chapter 62, Florida Administrative Code, not
22 previously mentioned?

23 A. Yes.

24 Q. Has Beecher's Point wastewater system been the subject of any FDEP
25 enforcement action within the past two years?

1 | A. No.

2 | Q. What is the status of the utility's disposal problems?

3 | A. Welaka is near-by and could treat Beecher Point's sewage. The permit
4 | was recently modified to allow the addition of a larger digester. The
5 | construction hasn't been completed yet.

6 | Interlachen Lakes Estates/Park Manor Wastewater System

7 | Q. Does the utility have current operating or construction permits from the
8 | FDEP for Interlachen Lakes Estates/Park Manor Wastewater System (Interlachen
9 | Lakes Estates/Park Manor)?

10 | A. Yes.

11 | Q. Please state the issuance dates and the expiration dates of the
12 | operating or construction permits.

13 | A. Permit No. FLA011706 (D054-230516) was issued June 24, 1993 and expires
14 | June 24, 1998.

15 | Q. Are the plants in compliance with FDEP issued permits?

16 | A. Yes.

17 | Q. Are the wastewater collection, treatment and disposal facilities
18 | adequate to serve present customers based on permitted capacity?

19 | A. Yes. The plant only has one perc pond. The permit was recently
20 | modified to allow the addition of a larger digester. The construction has not
21 | been completed yet.

22 | Q. Are the treatment and disposal facilities located in accordance with
23 | Rule 62-600, Florida Administrative Code?

24 | A. Yes.

25 | Q. Has the FDEP required the utility to take any action so as to minimize

1 possible adverse effects resulting from odors, noise, aerosol drift or
2 lighting?

3 A. No.

4 Q. Do the pump stations and lift stations meet FDEP requirements with
5 respect to location, reliability and safety?

6 A. Yes.

7 Q. Does the utility have certified operators as required by Rule 61E12-41,
8 Florida Administrative Code?

9 A. Yes.

10 Q. Is the overall maintenance of the treatment, collection, and disposal
11 facilities satisfactory?

12 A. Yes.

13 Q. Does the facility meet the effluent disposal requirements of Rules
14 62-600 and 62-610, Florida Administrative Code?

15 A. Yes.

16 Q. Are the collection, treatment and disposal facilities in compliance with
17 all the other provisions of Chapter 62, Florida Administrative Code, not
18 previously mentioned?

19 A. Yes.

20 Q. Has Interlachen Lakes Estates/Park Manor wastewater system been the
21 subject of any FDEP enforcement action within the past two years?

22 A. No.

23 Palm Port Wastewater System

24 Q. Does the utility have current operating or construction permits from the
25 FDEP for Palm Port Wastewater System (Palm Port)?

- 1 | A. Yes.
- 2 | Q. Please state the issuance dates and the expiration dates of the
3 | operating or construction permits.
- 4 | A. Permit No. DO 54-230621 was issued July 21, 1993 and expires July 21,
5 | 1998.
- 6 | Q. Are the plants in compliance with FDEP issued permits?
- 7 | A. Yes.
- 8 | Q. Are the wastewater collection, treatment and disposal facilities
9 | adequate to serve present customers based on permitted capacity?
- 10 | A. No. The effluent disposal site is inadequate to handle flows during
11 | high rain. The ponds periodically discharge. The utility company has had a
12 | report done to evaluate other disposal options.
- 13 | Q. Are the treatment and disposal facilities located in accordance with
14 | Rule 62-600, Florida Administrative Code?
- 15 | A. Yes.
- 16 | Q. Has the FDEP required the utility to take any action so as to minimize
17 | possible adverse effects resulting from odors, noise, aerosol drift or
18 | lighting?
- 19 | A. No.
- 20 | Q. Do the pump stations and lift stations meet FDEP requirements with
21 | respect to location, reliability and safety?
- 22 | A. Yes.
- 23 | Q. Does the utility have certified operators as required by Rule 61E12-41,
24 | Florida Administrative Code?
- 25 | A. Yes.

1 Q. Is the overall maintenance of the treatment, collection, and disposal
2 facilities satisfactory?

3 A. Yes.

4 Q. Does the facility meet the effluent disposal requirements of Rules
5 62-600 and 62-610, Florida Administrative Code?

6 A. Yes. Other than the fact that the pond periodically discharges.

7 Q. Are the collection, treatment and disposal facilities in compliance with
8 all the other provisions of Chapter 62, Florida Administrative Code, not
9 previously mentioned?

10 A. Yes.

11 Q. Has Palm Port wastewater system been the subject of any FDEP enforcement
12 action within the past two years?

13 A. No.

14 Silver Lake Oaks Wastewater System

15 Q. Does the utility have current operating or construction permits from the
16 FDEP for Silver Lake Oaks Wastewater System (Silver Lake Oaks)?

17 A. Yes.

18 Q. Please state the issuance dates and the expiration dates of the
19 operating or construction permits.

20 A. Permit No. DO 54-193603 was issued August 9, 1991 and expires August 9,
21 1996.

22 Q. Are the plants in compliance with FDEP issued permits?

23 A. Yes.

24 Q. Are the wastewater collection, treatment and disposal facilities
25 adequate to serve present customers based on permitted capacity?

- 1 A. Yes.
- 2 Q. Are the treatment and disposal facilities located in accordance with
3 Rule 62-600, Florida Administrative Code?
- 4 A. Yes.
- 5 Q. Has the FDEP required the utility to take any action so as to minimize
6 possible adverse effects resulting from odors, noise, aerosol drift or
7 lighting?
- 8 A. No.
- 9 Q. Do the pump stations and lift stations meet FDEP requirements with
10 respect to location, reliability and safety?
- 11 A. Yes.
- 12 Q. Does the utility have certified operators as required by Rule 61E12-41,
13 Florida Administrative Code?
- 14 A. Yes.
- 15 Q. Is the overall maintenance of the treatment, collection, and disposal
16 facilities satisfactory?
- 17 A. Yes.
- 18 Q. Does the facility meet the effluent disposal requirements of Rules
19 62-600 and 62-610, Florida Administrative Code?
- 20 A. Yes.
- 21 Q. Are the collection, treatment and disposal facilities in compliance with
22 all the other provisions of Chapter 62, Florida Administrative Code, not
23 previously mentioned?
- 24 A. Yes.
- 25 Q. Has Silver Lake Oaks wastewater system been the subject of any FDEP

1 enforcement action within the past two years?

2 A. No.

3 Q. Do you have anything further to add?

4 A. No, I do not.

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1 MS. O'SULLIVAN: All right, thank you. The
2 witness is tendered for cross.

3 MR. McLEAN: No questions.

4 CHAIRMAN CLARK: Mr. Jacobs.

5 MR. JACOBS: I have no questions.

6 CHAIRMAN CLARK: Mr. Twomey.

7 MR. TWOMEY: No.

8 CHAIRMAN CLARK: Mr. Armstrong.

9 MR. ARMSTRONG: No questions.

10 CHAIRMAN CLARK: Ms. Smeltzer, thank you
11 very much for being there. Apparently we have no
12 questions for you at this time.

13 WITNESS SMELTZER: Okay, thank you.

14 CHAIRMAN CLARK: Thank you very much.

15 (Witness Smeltzer excused.)

16 - - - - -

17 CHAIRMAN CLARK: The next witness is
18 Mr. Faircloth.

19 WITNESS FAIRCLOTH: Good afternoon.

20 CHAIRMAN CLARK: Good afternoon.

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J. LEE FAIRCLOTH

1
2 was called via teleconferencing as a rebuttal witness
3 on behalf of the Staff of the Florida Public Service
4 Commission and, having been duly sworn, testified as
5 follows:

DIRECT EXAMINATION

6
7 BY MS. O'SULLIVAN:

8 Q Are you ready, Mr. Faircloth?

9 A Yes, I am.

10 Q Thank you. Thank you for driving here. You
11 drove here today from Daytona Beach; is that correct?

12 A Yes.

13 Q Thank you.

14 Please state your name and business address
15 for the record.

16 A My name is Lee Faircloth, Volusia County
17 Public Health Unit, 501 South Clyde Morris Boulevard,
18 Daytona Beach, Florida, 32114.

19 Q Have you prefiled direct testimony in this
20 docket consisting of 10 pages?

21 A Yes, we have.

22 Q Do you have any changes or corrections to
23 your testimony?

24 A Yes, I do. On Page 2, Sugar Mill water
25 system, the first question, they have applied for a

1 corrosion control application, that permit was
2 approved for construction.

3 Also on Page 4 for Deltona Lakes --

4 COMMISSIONER KIESLING: Just a second, could
5 you go back to Page 2?

6 WITNESS FAIRCLOTH: Yes.

7 COMMISSIONER KIESLING: What line are you
8 changing?

9 WITNESS FAIRCLOTH: Lines 5 and 6.

10 COMMISSIONER KIESLING: And what is it
11 changing to?

12 WITNESS FAIRCLOTH: The permit was issued
13 for construction of a corrosion control.

14 COMMISSIONER KIESLING: So is the answer
15 changing to yes?

16 WITNESS FAIRCLOTH: Yes.

17 Q (By Ms. Sullivan) And what is your next
18 change, Mr. Faircloth?

19 A On Page 4, Line 15, that is now a yes.
20 Additional generators have been installed.

21 Q So in place of the sentence on Line 15, the
22 response would be, "Yes, additional generators have
23 been installed"?

24 A Correct.

25 Q Do you have any more changes?

1 A No, I do not.

2 Q All right. With these corrections, if I
3 were to ask you the same questions today, would your
4 testimony be the same?

5 A Yes, they would.

6 MS. O'SULLIVAN: Chairman Clark, may we have
7 Mr. Faircloth's testimony inserted into the record as
8 though read?

9 CHAIRMAN CLARK: The prefiled direct
10 testimony of J. Lee Faircloth will be inserted into
11 the record as though read with those changes.

12 Q (By Ms. Sullivan) Mr. Faircloth, did you
13 also file Exhibit JLF-1 with your testimony?

14 A Yes, I did.

15 Q Do you have any changes or corrections to
16 that exhibit?

17 A Not at this time, no.

18 MS. O'SULLIVAN: May we have that exhibit
19 identified, please, Chairman Clark?

20 CHAIRMAN CLARK: Yes, that will be
21 identified as Exhibit 204.

22 (Exhibit No. 204 marked for identification.)
23
24
25

1 DIRECT TESTIMONY OF J. LEE FAIRCLOTH

2 Q. Please state your name and business address.

3 A. J. Lee Faircloth, Engineer IV, Volusia County Public Health Unit, 501
4 S. Clyde Morris Boulevard, Daytona Beach, Florida 32114.5 Q. Please state a brief description of your educational background and
6 experience.7 A. I have a B.S. in Environmental Science and an A.S. in Oceanographic
8 Science from Florida Institute of Technology. I have worked the last 12 years
9 in drinking water permitting and compliance with Department of Health and
10 Rehabilitative Services.

11 Q. By whom are you presently employed?

12 A. I am employed by the Florida Department of Health and Rehabilitative
13 Services (FDHRS).

14 Q. How long have you been employed with the FDHRS and in what capacity?

15 A. I have been employed for twelve years as an engineer with FDHRS
16 reviewing permit applications and performing sanitary surveys/compliance
17 inspections.18 Q. What are your general responsibilities at the Department of Health and
19 Rehabilitative Services?

20 A. I am the Drinking Water Program Supervisor.

21 Q. Are you familiar with the Southern States Utilities, Inc. water systems
22 located in the Central District?

23 A. Yes.

24 Q. Were these systems inspected by you, or by FDHRS staff under your
25 supervision?

1 A. They were inspected by subordinate staff (an environmental specialist).

2 Sugar Mill Water System

3 Q. Does the utility have a current construction permit from the Department
4 of Environmental Protection (FDEP) for Sugar Mill Water System (Sugar Mill)?

5 A. ^{Yes. Permit was issued for}
~~No. However, a corrosion control treatment application is pending~~
6 ~~additional information.~~

7 Q. Are the utility's treatment facilities and distribution system
8 sufficient to serve its present customers?

9 A. Yes.

10 Q. Does the utility maintain the required 20 psi minimum pressure
11 throughout the distribution system?

12 A. Yes.

13 Q. Does the utility have an adequate auxiliary power source in the event
14 of a power outage?

15 A. Yes.

16 Q. Are the utility's water wells for Sugar Mill located in compliance with
17 Rule 62-555, Florida Administrative Code?

18 A. Yes.

19 Q. Does the utility have certified operators as required by Rule 61E12-41,
20 Florida Administrative Code?

21 A. Yes.

22 Q. Has the utility established a cross-connection control program in
23 accordance with Rule 62-555.360, Florida Administrative Code?

24 A. Yes. A cross-connection control program was accepted April 15, 1992.

25 Q. Is the overall maintenance of the treatment plant and distribution

1 facilities satisfactory?

2 A. No. Serious corrosion has been observed throughout the treatment plant.

3 Q. Does the water produced by the utility meet the State and Federal
4 maximum contaminant levels for primary and secondary water quality standards?

5 A. No. The trihalomethane concentration is above MCL. However, the system
6 serves less than 10,000 people, so this standard is not enforced. Lead levels
7 are above the action level also.

8 Q. Does the utility monitor the organic contaminants listed in Rule
9 62-550.410, Florida Administrative Code?

10 A. Yes.

11 Q. Do recent chemical analyses of raw and finished water, when compared to
12 regulations, suggest the need for additional treatment?

13 A. Yes. The reduction of halogen formation needs treatment modifications.
14 Also, corrosion control is needed to reduce lead concentrations, for which a
15 permit has been applied for but is presently incomplete.

16 Q. Does the utility maintain the required chlorine residual or its
17 equivalent throughout the distribution system?

18 A. Yes.

19 Q. Are the plant and distribution systems in compliance with all the other
20 provisions of Chapter 62, Florida Administrative Code, not previously
21 mentioned?

22 A. Yes.

23 Q. Has Sugar Mill been the subject of any FDEP enforcement action within
24 the past two years?

25 A. No.

Deltona Lakes Water System

1
2 Q. Does the utility have a current construction permit from the FDEP for
3 Deltona Lakes Water System (Deltona Lakes)?

4 A. Yes. It has a construction permit for auxiliary power generator
5 modifications for water treatment plant, a new pressure tank, and a high
6 service pump.

7 Q. Are the utility's treatment facilities and distribution system
8 sufficient to serve its present customers?

9 A. Yes.

10 Q. Does the utility maintain the required 20 psi minimum pressure
11 throughout the distribution system?

12 A. Yes.

13 Q. Does the utility have an adequate auxiliary power source in the event
14 of a power outage?

15 A. ^{Yes,} ~~No, but it is installing~~ additional generators, ^{have been installed} ~~at the present time.~~

16 Q. Are the utility's water wells for Deltona Lakes located in compliance
17 with Rule 62-555, Florida Administrative Code?

18 A. Yes.

19 Q. Does the utility have certified operators as required by Rule 61E12-41,
20 Florida Administrative Code?

21 A. Yes.

22 Q. Has the utility established a cross-connection control program in
23 accordance with Rule 62-555.360, Florida Administrative Code?

24 A. Yes its cross-connection control was confirmed by FDEP on March 29,
25 1991, during a sanitary survey by P. Morrison.

1 Q. Is the overall maintenance of the treatment plant and distribution
2 facilities satisfactory?

3 A. No. The treatment plants lack consistent up-keep and cleanliness.

4 Q. Does the water produced by the utility meet the State and Federal
5 maximum contaminant levels for primary and secondary water quality standards?

6 A. No. The iron MCL is exceeded at plants # 3, 5 and 11. Phosphate
7 injection is used.

8 Q. Does the utility monitor the organic contaminants listed in Rule
9 62-550.410, Florida Administrative Code?

10 A. Yes.

11 Q. Do recent chemical analyses of raw and finished water, when compared to
12 regulations, suggest the need for additional treatment?

13 A. Yes. Lead and copper monitoring suggest the need for additional
14 treatment (phosphate).

15 Q. Does the utility maintain the required chlorine residual or its
16 equivalent throughout the distribution system?

17 A. No. Some areas of the distribution system require routine flushing.
18 However, flushing is not performed as often as needed to prevent problems from
19 recurring. It is usually not done until complaints are received.

20 Q. Are the plant and distribution systems in compliance with all the other
21 provisions of Chapter 62, Florida Administrative Code, not previously
22 mentioned?

23 A. No. They have not reported many of the watermain breaks in the past.
24 See Exhibit JLF-1, which is a recent sanitary survey letter from Mark A.
25 Halverstadt to the utility, October 5, 1995.

1 Q. Has Deltona Lakes been the subject of any FDEP enforcement action within
2 the past two years?

3 A. There has been no formal enforcement action.

4 Enterprise Utilities Water System

5 Q. Does the utility have a current construction permit from the FDEP for
6 Enterprise Utilities Water System (Enterprise Utilities)?

7 A. Yes. It has a construction permit for auxiliary power generator
8 modifications for water treatment plant, a new pressure tank and a high
9 service pump. It should be noted that this water system is part of the
10 Deltona Lakes distribution system.

11 Q. Are the utility's treatment facilities and distribution system
12 sufficient to serve its present customers?

13 A. Yes.

14 Q. Does the utility maintain the required 20 psi minimum pressure
15 throughout the distribution system?

16 A. Yes.

17 Q. Does the utility have an adequate auxiliary power source in the event
18 of a power outage?

19 A. No, but it is installing additional generators at the present time.

20 Q. Are the utility's water wells for Enterprise Utilities located in
21 compliance with Rule 62-555, Florida Administrative Code?

22 A. Yes.

23 Q. Does the utility have certified operators as required by Rule 61E12-41,
24 Florida Administrative Code?

25 A. Yes.

1 Q. Has the utility established a cross-connection control program in
2 accordance with Rule 62-555.360, Florida Administrative Code?

3 A. Yes. A cross-connection control program was accepted April 15, 1992.

4 Q. Is the overall maintenance of the treatment plant and distribution
5 facilities satisfactory?

6 A. No. The treatment plants lack consistent up-keep and cleanliness.

7 Q. Does the water produced by the utility meet the State and Federal
8 maximum contaminant levels for primary and secondary water quality standards?

9 A. No. The iron MCL is exceeded at plants # 3, 5 and 11. Phosphate
10 injection is used.

11 Q. Does the utility monitor the organic contaminants listed in Rule
12 62-550.410, Florida Administrative Code?

13 A. Yes.

14 Q. Do recent chemical analyses of raw and finished water, when compared to
15 regulations, suggest the need for additional treatment?

16 A. Yes. Lead and copper monitoring suggest the need for additional
17 treatment (phosphate).

18 Q. Does the utility maintain the required chlorine residual or its
19 equivalent throughout the distribution system?

20 A. No. Some areas require routine flushing. However, this is not done
21 consistently. Flushing is done when complaints are received from consumers.

22 Q. Are the plant and distribution systems in compliance with all the other
23 provisions of Chapter 62, Florida Administrative Code, not previously
24 mentioned?

25 A. No. The utility has not reported many of the watermain breaks in the

1 | past. See the Deltona Lakes sanitary survey letter from Mark Halverstadt to
2 | the utility dated October 5, 1995 (Exhibit JLF-1).

3 | Q. Has Enterprise Utilities been the subject of any FDEP action within the
4 | past two years?

5 | A. There has been no formal enforcement action.

6 | Jungle Den Water System

7 | Q. Does the utility have a current construction permit from the FDEP for
8 | Jungle Den Water System (Jungle Den)?

9 | A. No.

10 | Q. Are the utility's treatment facilities and distribution system
11 | sufficient to serve its present customers?

12 | A. This is a consecutive system of Public Water System (PWS) #3350044.

13 | Q. Does the utility maintain the required 20 psi minimum pressure
14 | throughout the distribution system?

15 | A. Yes.

16 | Q. Does the utility have an adequate auxiliary power source in the event
17 | of a power outage?

18 | A. Yes.

19 | Q. Are the utility's water wells for Jungle Den located in compliance with
20 | Rule 62-555, Florida Administrative Code?

21 | A. It purchases water from PWS #3350044 as a consecutive system. It does
22 | not have wells.

23 | Q. Does the utility have certified operators as required by Rule 61E12-41,
24 | Florida Administrative Code?

25 | A. Yes.

1 Q. Has the utility established a cross-connection control program in
2 accordance with Rule 62-555.360, Florida Administrative Code?

3 A. Yes. A cross-connection control program was confirmed on March 29,
4 1991, on a sanitary survey.

5 Q. Is the overall maintenance of the treatment plant and distribution
6 facilities satisfactory?

7 A. Yes.

8 Q. Does the water produced by the utility meet the State and Federal
9 maximum contaminant levels for primary and secondary water quality standards?

10 A. Yes. Consecutive systems are not required to conduct chemical
11 monitoring.

12 Q. Does the utility monitor the organic contaminants listed in Rule
13 62-550.410, Florida Administrative Code?

14 A. No, it does not because it is a consecutive system of PWS #3350044.

15 Q. Do recent chemical analyses of raw and finished water, when compared to
16 regulations, suggest the need for additional treatment?

17 A. No.

18 Q. Does the utility maintain the required chlorine residual or its
19 equivalent throughout the distribution system?

20 A. Yes, but it is occasionally less than required.

21 Q. Are the plant and distribution systems in compliance with all the other
22 provisions of Chapter 62, Florida Administrative Code, not previously
23 mentioned?

24 A. Yes.

25 Q. Has Jungle Den been the subject of any FDEP enforcement action within

1 | the past two years?

2 | A. No.

3 | Q. Do you have anything further to add?

4 | A. No, I do not.

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1 MS. O'SULLIVAN: Thank you. The witness is
2 tendered for cross.

3 MR. McLEAN: No questions.

4 CHAIRMAN CLARK: I assume Mr. Jacobs has no
5 questions.

6 MR. TWOMEY: I think he does not.

7 **CROSS EXAMINATION**

8 BY MR. TWOMEY:

9 Q Good afternoon, Mr. Faircloth.

10 A Good afternoon.

11 Q I'm Mike Twomey, I represent some of the
12 civic associations and homeowners customers groups in
13 this case.

14 At the bottom of Page 2, the question is,
15 "Is the overall maintenance of the treatment plant and
16 distribution --"

17 A Which page is this now?

18 Q The bottom of Page 2. The question asks
19 whether the Sugar Mill water treatment plant and
20 distribution system facilities are satisfactory. And
21 you answer on Page 3, and list a number of problems.

22 I assume, since you didn't correct this,
23 that the serious corrosion still can be observed
24 throughout the treatment plant? Would that be
25 correct?

1 A To my knowledge, yes. Although a sanitary
2 survey is being conducted today to follow up on this.

3 Q Sir?

4 A To my knowledge, that still is correct,
5 although a sanitary survey is being conducted today.

6 Q Today?

7 A Yes.

8 Q Okay. In response to the question of
9 whether the water produced meets the state and federal
10 contaminant levels, you indicate at Page -- at
11 Line 5 -- why don't you pronounce that contaminant for
12 me? T-r-i --

13 A Trihalomethanes.

14 Q Yes, sir, that that concentration is above
15 the, what is that, the MCL?

16 A The maximum contaminant level.

17 Q Sir?

18 A Maximum contaminant level.

19 Q And tell me, is there any danger from that
20 contaminant?

21 A Well, this utility has less than 10,000
22 people so that standard does not apply. It is only on
23 the unregulated group compound that it was detected
24 and it was recommended they do additional monitoring
25 to confirm that. There's nothing we can do to enforce

1 as far as reducing that level.

2 Q Yes, sir, I understand that. But that's not
3 my question. Is there some danger from that
4 contaminant?

5 A That's up to the state health officer to
6 determine. And we've sent things to Tallahassee
7 requesting them whether we should follow through with
8 this; and basically they told us that only to take any
9 enforcement action if it exceeds .6 milligrams per
10 liter.

11 Q And is theirs below that?

12 A Yes, it is.

13 Q Okay. I'm just trying to understand why
14 when you can -- when your agency can determine that a
15 excessive level of any contaminant is present in a
16 water system that you wouldn't enforce the quality
17 standards just based on the size of the system.

18 A It is cost-effectively not feasible.

19 Q Okay. Now, you mention that the lead levels
20 are above the action levels, also. My question to you
21 is, are they currently above the action level?

22 A Yes.

23 Q How long have they been above the action
24 levels?

25 A Approximately a year and a half since they

1 submitted a plan and monitoring.

2 Q So it has been consistently in excess of the
3 action level for about a year and a half?

4 A Yes.

5 Q Okay. Now who in this area is responsible
6 for seeing that SSU meets its rule education
7 requirements for the lead exceedance?

8 A Volusia County Public Health Unit.

9 Q Okay. Do you know whether or not SSU has
10 met its public education requirements for this
11 system --

12 A No, I do not.

13 Q -- for lead exceedance? I'm sorry, I didn't
14 hear you?

15 A I do not know that.

16 Q Well, who's responsible for seeing that SSU
17 implements the necessary corrosion control to reduce
18 lead concentrations? Is that DEP's responsibility or
19 Volusia County Health Department?

20 A Volusia County Health Department.

21 Q Okay. We have to check with them to see if
22 it is being done; is that right?

23 A Yes.

24 Q Okay.

25 A They do have a period of time before they

1 are mandated to submit a corrective action plan. That
2 still hasn't expired at this point.

3 Q Okay. On Page 5, referring to the Deltona
4 Lakes water system, you indicate at the top of the
5 page that the treatment plants lack consistent upkeep
6 in cleanliness. Is that still the case?

7 A Yes, it is.

8 Q Is that just a lack of effort on the
9 Company's part, or what's the problem?

10 A I think it's mainly older equipment that has
11 not been maintained in a proper fashion over the
12 years.

13 Q Yeah, but you can clean older equipment,
14 right?

15 A Yes, except for the corrosion.

16 Q Now you indicate that the iron level has
17 been exceeded at three of the plants indicated and
18 that phosphate injection is used. And you go on to
19 say at Line 13 that, "Lead and copper monitoring
20 suggest the need for additional treatment." And I ask
21 you, by that suggestion does that mean that the lead
22 and copper levels have been exceeded as well?

23 A Correct. They're at action level.

24 Q How long have those exceedances existed?

25 A Roughly about a year since the monitoring

1 was first conducted.

2 Q Okay.

3 A They have since submitted a plan to apply
4 for a corrosion control permit to inject phosphate for
5 that particular need.

6 Q Okay. Who is responsible for seeing that
7 the public education requirements of the rule are met
8 for this utility, Volusia County again?

9 A Yes.

10 Q Okay. Why don't they, in your opinion, why
11 don't they conduct the required routine flushing at
12 that system?

13 A They are doing routine flushing, it is just
14 usually based on when the need occurs. They don't
15 have enough manpower to cover such a large system with
16 the few people that they have.

17 Q I see. The next Page 6, you indicate that
18 the Enterprise Utilities water system is part of the
19 Deltona Lakes distribution system; is that correct?

20 A Correct. It's a consecutive system.

21 Q Okay. This is a system that SSU apparently
22 has a receivership for, right?

23 A Correct.

24 Q Or do you know? Again, I guess the lead and
25 copper exceedance is a result of it being

1 interconnected at Deltona Lakes; is that right?

2 A Correct.

3 Q Okay. Your attached letter or the attached
4 letter indicates the scope of the problems at
5 Enterprise; is that right?

6 A The exhibit, you mean?

7 Q Yes, sir, your exhibit. I'm sorry.

8 A Yes. That's basically the Deltona system
9 which does supply water for Enterprise. The two are
10 the same.

11 MR. TWOMEY: Okay. That's all I have, thank
12 you very much for your time.

13 CHAIRMAN CLARK: Mr. Armstrong?

14 MR. ARMSTRONG: Yes, only one line, Madam
15 Chair.

16 **CROSS EXAMINATION**

17 BY MR. ARMSTRONG:

18 Q Mr. Faircloth, you just referred to that
19 exhibit?

20 A Yes.

21 Q I note -- I noted it was not signed when I
22 saw that. I have since spoken to our Operations
23 people. Would you agree that it is somewhat of a
24 practice that DEP will do inspection, send -- at times
25 will send a draft letter indicating its findings to

1 the Company, and then the Company will address some of
2 those findings and possibly DEP will delete some of
3 those references in the letter? Is that somewhat of a
4 practice?

5 A No.

6 Q Okay. Do you know whether or not the
7 letter -- and this is just to clarify the record,
8 Mr. Faircloth. But do you know whether that letter
9 was actually sent to Southern States?

10 A Yes, it was. It was signed by the
11 environmental specialist, Mark Halverstadt. This was
12 just printed off the computer. For some reason, we
13 didn't have a copy of the actual letter that was sent
14 to Deltona at the time this was prepared -- forwarded
15 with this inquiry.

16 Q Mr. Faircloth, I do not want to be
17 argumentative with you. But what we have is a letter
18 dated the same date, it's a two-paged letter signed by
19 Mr. Halverstadt; and maybe that's the reason you
20 couldn't find the signed copy of the letter.

21 I'm sorry I can't get this to you,
22 obviously, just now. What we would intend to do, I
23 just wanted to give you notice, that we would intend
24 to ask Mr. Terrero to introduce this letter into the
25 record.

1 You know, no implication, there being no
2 implication whatsoever except for the fact this was
3 the letter we received. It does cut down
4 significantly on the issues discussed in the letter in
5 your exhibit. That's the only purpose it's there for.
6 Okay?

7 A Okay.

8 MR. ARMSTRONG: Thank you. With that, Madam
9 Chair, we have nothing more.

10 CHAIRMAN CLARK: Redirect?

11 **REDIRECT EXAMINATION**

12 BY MS. O'SULLIVAN:

13 Q Mr. Faircloth, just a couple of questions.
14 You indicated this letter was sent by certified mail;
15 is that correct?

16 A Yes.

17 Q And in the upper left-hand corner of Page 1
18 of the exhibit, it indicates, I assume, a certified
19 letter number; is that correct?

20 A Correct. Correct.

21 Q Do you have a copy of or are you aware of a
22 return receipt for that certified letter?

23 A I'm sure we have it, yes.

24 Q Could you provide that return receipt as a
25 late-filed exhibit?

1 A I would be glad to.

2 Q In other words, make a copy of it and send
3 it to us?

4 A Yes.

5 MS. O'SULLIVAN: That would be Exhibit
6 No. 205, I believe?

7 CHAIRMAN CLARK: That is correct. Give me a
8 short title.

9 Q (By Ms. Sullivan) Mr. Faircloth, on Page 4
10 of that letter indicates that the utility is required
11 to correct the deficiencies and provide a written
12 statement by December 5, 1995; is that correct?

13 A Yes.

14 Q Are you aware of whether or not the Utility
15 has done that by that date?

16 A No, I do not at this point, I'd have to
17 research the records. I believe a lot of these items
18 were addressed. All of them, I don't know.

19 MS. O'SULLIVAN: Thank you very much. Staff
20 has no further questions.

21 CHAIRMAN CLARK: Ms. O'Sullivan, just so I'm
22 sure, the late-filed exhibit you want is the receipt
23 indicating delivery of the letter contained in Exhibit
24 204; is that correct?

25 MS. O'SULLIVAN: That's correct, thank you.

1 CHAIRMAN CLARK: Okay.

2 (Late-Filed Exhibit No. 205 identified.)

3 MR. ARMSTRONG: Madam Chair, if I could get
4 this clarified, too? We're really not trying to pull
5 anything here. The certified number at the top of the
6 both letters, the one we intend to introduce as well
7 as the four-pager here, is the same.

8 CHAIRMAN CLARK: So you acknowledge that the
9 letter was delivered?

10 MR. ARMSTRONG: The two-paged letter was
11 delivered signed by Mr. Halverstadt. We acknowledge
12 that, yes. But it's the same number on both.

13 As I said, we're not pulling anything here,
14 this is the only letter --

15 CHAIRMAN CLARK: All right. Mr. Faircloth,
16 if you would, if you can locate that receipt
17 indicating that it was delivered and get that to the
18 Staff, please?

19 WITNESS FAIRCLOTH: I will.

20 MS. O'SULLIVAN: Thank you.

21 CHAIRMAN CLARK: Thank you very much.

22 MS. O'SULLIVAN: Staff would move in
23 Exhibits 204 and 205 -- I'm sorry, 204.

24 CHAIRMAN CLARK: 204 will be admitted into
25 the record without objection. We will wait until we

1 receive 205.

2 Thank you, Mr. Faircloth. I would like to
3 thank you all in Jacksonville participating in this
4 hearing. We appreciate the information you have
5 provided to us and that concludes our video conference
6 portion of this proceeding. Thank you very much.

7 WITNESS FAIRCLOTH: Thank you.

8 (Exhibit No. 204 received in evidence.)

9 (Witness Faircloth excused.)

10 - - - - -

11 CHAIRMAN CLARK: We need to go ahead and
12 take a break. We'll take a break until 5 minutes
13 after. And Mr. Sandbulte will get back on the stand?

14 MR. ARMSTRONG: Now it is that he has a 3:30
15 flight.

16 CHAIRMAN CLARK: All right. We'll be back
17 at five minutes after 2:00.

18 (Brief recess.)

19 - - - - -

20 CHAIRMAN CLARK: We are reconvening and we
21 will resume the cross examination of Mr. Sandbulte.

22 MR. TWOMEY: Thank you, Madam Chairman.

23 - - - - -

24

25

AREND SANDBULTE

1
2 resumed the stand as a rebuttal witness on behalf of
3 Southern States Utilities, Inc. and, having been
4 previously sworn, testified as follows:

CONTINUED CROSS EXAMINATION

5
6 BY MR. TWOMEY:

7 Q I think when we left off, Mr. Sandbulte --
8 well, first let me make a note here that when I had
9 asked Mr. Sandbulte about the returns he was
10 requesting from my client, I told you I would get a
11 cite. If you would look at Volume 3B, Book 8 of 8, of
12 the MFRs at Page 455, it shows that for the Sugarmill
13 Woods water plant that the required return is 12.25%
14 and the requested return under the uniform rate
15 proposal being sought by the Company is 81.13%.

16 And if you will look at Page 797 of the same
17 volume, the required return for the wastewater
18 treatment plant investment or the wastewater system
19 investment is again 12.25% and the requested return,
20 Commissioners, under the uniform rate proposal being
21 sought by SSU is 366.52% return on equity.

22 Now, sir, when we concluded earlier, you had
23 said that -- I think you had said that the uniform
24 rate structure that you were asking for was --

25 CHAIRMAN CLARK: Mr. Twomey, hang on a

1 minute. (Pause)

2 Go ahead.

3 Q (By Mr. Twomey) You had said, I think, that
4 the uniform rate structure that SSU is requesting was
5 for the good of all, right?

6 A Yes.

7 Q Okay. Now you speak to that in your -- I
8 think you speak to that in your prefiled rebuttal
9 testimony beginning at the bottom of Page 4, Line 25,
10 when you say, "The solution to this problem lies with
11 multiplant facilities like SSU that can have uniform
12 rates across plants."

13 Then you go ahead and talk about how uniform
14 rates would allow utilities such as SSU to build
15 plants to maximize economies of scale by extending the
16 margin reserve to an optimum 10- to 20-year margin
17 reserve for each plant as would be defined by an
18 analysis of each type of plant.

19 Now, do you believe that?

20 A I believe true economies --

21 CHAIRMAN CLARK: The light has to be on for
22 it to be on.

23 A I remember that from last week, I guess, but
24 I forgot momentarily.

25 Yes. I believe that in a pure sense of

1 economy of scale, that is true. I understand that
2 different witnesses have said different things about
3 this; but one of these being that, in the municipal
4 utility field, margin of reserve of ten years or even
5 more is not, it is not unheard of or in fact may be a
6 planning medium that they use.

7 I think Mr. Hartman minimum of seven years,
8 so there are different numbers. But certainly some
9 municipal systems, as I understand it, and this is not
10 from personal knowledge, do extend beyond up to ten
11 years and beyond.

12 Q Okay. But the one of the keys to your
13 perceived solution here is the fact that it has to be
14 multiplant so that you can shift revenue
15 responsibility from one facility to the other; isn't
16 that correct?

17 A I don't see it that way. I see the total
18 rate base applying to all consumers. I don't see it
19 as a shift.

20 Q But you concede, do you not, Mr. Sandbulte,
21 that the entire rate base, meaning the capital
22 facilities, cannot provide water and/or wastewater
23 service to the entire customer body; isn't that
24 correct?

25 A Yes. I think I said that before.

1 Q Okay. Now, let me ask you. Were you here
2 whether I talked to, when Mr. Williams testified?

3 A For a little bit of it. Not all of it.

4 Q Okay. Did you hear the part where I asked
5 if the uniform rate structure that SSU is requesting
6 here, if I asked him if that wasn't a form of
7 regulatory socialism?

8 A Yeah, I heard that question.

9 Q I'm going to ask you the same thing. Isn't
10 this desire of SSU to transfer revenue responsibility
11 from places like Palm Valley and Chuluota and so forth
12 that you own to my clients, Mr. Hansen and his
13 neighbors and others, a form of regulatory socialism?

14 A No, I wouldn't call it regulatory socialism.
15 I think it's in the long view the best, lowest cost
16 way in which for a water utility service to be
17 provided.

18 It's no different in many respects than
19 other utility service of electric, gas, telephone and
20 so forth that have substantially differing costs of
21 service depending on physical location, and those kind
22 of things. And yet uniform rates, postage stamp
23 rates, call them whatever you like, are normal and
24 have been in this business for a long, long time.

25 I don't see any fundamental difference there

1 providing -- especially since the Commission has
2 already concluded on the fact it is a single system
3 even though there may not be interconnections between
4 all of the water plants, for example.

5 Q Did anyone on your staff or your employ,
6 Mr. Sandbulte, tell you that during Judge Mann's
7 testimony yesterday we entered into the record what
8 was identified as Exhibit 199, which were a series of
9 tariff sheets from the Florida Public Utilities
10 Company that showed that it as an electric company
11 with two operating divisions had separate tariffs for
12 each and separate prices for each?

13 A No, I didn't see that.

14 Q Did anyone on your staff tell you that we
15 entered into the record in that same exhibit a tariff
16 sheet from Florida Power Corporation describing a
17 Sebring rider that purports to charge customers in
18 Sebring of Florida Power Corporation a differential
19 related to unusual costs they have just in that area?

20 A What kind of unusual costs?

21 Q Costs, my understanding, I don't want to
22 testify, but my understanding is that it was due to
23 financing. But did anyone tell you about that?

24 A No. But I have heard of great differentials
25 where there is a tax imposed specifically by a

1 municipal government, for example, which it is using
2 the utility as a tax collector. I don't know if
3 that's the case in Sebring, but I am familiar with
4 that situation.

5 Q Did anyone on your staff tell you that the
6 last several portions of that Exhibit 199 showed,
7 amongst other things, that BellSouth
8 Telecommunications, Inc., the largest telephone
9 company in the state of Florida, had 12 separate
10 residential rates or rate groups?

11 MR. ARMSTRONG: Objection. Asked and
12 answered. He already said he didn't have any
13 familiarity with that exhibit.

14 CHAIRMAN CLARK: I think that's correct.

15 MR. TWOMEY: I think I was asking him about
16 each portion, Mr. Armstrong. But I'll go on.

17 Q (By Mr. Twomey) Don't you agree with me,
18 Mr. Sandbulte, that the uniform rate structure that
19 you are proposing this Commission approve for you,
20 once again, is a clear and complete departure from
21 cost-based rates on a system-by-system basis? Or, if
22 you prefer, on a service area-by-service area basis?

23 A There are different cost structures in
24 different service areas, I will agree with that, on a
25 current basis. But that does change over time.

1 Q So is that a yes answer to my question?

2 A Yes. But it does change over time.

3 Q Okay. Would you -- you mean it may change
4 over time, don't you?

5 A Well, since I haven't defined time, I think
6 it will change over time. Because physical facilities
7 do, do die; they are retired and need to be replaced.
8 So I would say they will change over time.

9 CHAIRMAN CLARK: That was just an attempt to
10 get rid of the echo, and I think we just did. That
11 little beep was pushing a button to get rid of the
12 echo.

13 MR. TWOMEY: Thank you.

14 Q (By Mr. Twomey) Would you agree with me as
15 well, Mr. Sandbulte, that the uniform rate structure
16 that you have proposed this Commission approve for you
17 is not in any fashion based upon value of service
18 considerations?

19 A Would you say that again?

20 Q Yes, sir. Would you agree with me that the
21 uniform rate structure that you are asking this
22 Commission to approve for Southern States Utilities is
23 in no way related to value of service considerations?

24 A No, I would not agree that it is not related
25 to value of service.

1 Q Then, would you tell me one way in which it
2 is based upon value of service considerations.

3 A Value of service to me means the value to
4 the consumer of having potable water, sewer service,
5 whatever it is. And that is what I refer to as value
6 of service, as opposed to cost of service.

7 Q Okay. Would you agree with me, then, that
8 that notion of value of service is distinct from the
9 notion that is typically used in telecommunications,
10 for example, for residential rate establishment, that
11 value is rated to the number of local calling scope
12 access lines available within a service area? Or do
13 you understand that concept?

14 A Not precisely. I'm not that familiar with
15 the telephone business.

16 Q Okay, that's fine.

17 Would you agree with me that the uniform
18 rate structure you've asked the Commission to approve
19 for you here has request rates that are based upon
20 straight mathematical averaging?

21 A Yes, if you mean the total rate base is
22 simplistically divided by the units of water consumed
23 and a rate is determined. Except for the difference
24 between the primary and the tertiary situation such as
25 Marco Island and most of the rest of the systems.

1 Q Okay, sir, thank you. Now you indicate also
2 on Page 5 that, and I'll read it very quickly. You
3 say, starting at Line 7, you say, "In this way the
4 start-up costs for new facilities would not be borne
5 by a few customers but by all customers and at the
6 same time facilities could be built to maximize
7 economies of scale which would eventually benefit all
8 customers and put utilities back into a make whole
9 situation. This is exactly what happens in the
10 electric and telephone industries, which is why they
11 don't have nonused and useful adjustments."

12 My question to you is whether or not you
13 have ever heard of a regulatory commission in the
14 United States disallowing or declaring nonused and
15 useful a nuclear plant or a portion of a nuclear power
16 plant?

17 A Yes, I have heard of rate base disallowances
18 for nuclear plants, but not in the terms of
19 distribution and transmission. I think, as I said
20 earlier -- at least I don't have any knowledge or any
21 remembrance that I have ever heard of a transmission
22 distribution system, for example, being partially
23 disallowed on a used and useful basis.

24 Usually the disallowance of power plants
25 would be when there's excess capacity. I think the

1 usual nuclear situation is a little bit different,
2 where the cost of the nuclear plants became so huge
3 that some commissions have in fact refused to pass
4 through the costs of those plants to all the
5 consumers.

6 Q Okay, sir. Are you aware of whether or not
7 this Commission over the years has made used and
8 useful type disallowances for electric generating
9 plants irrespective of whether they were nuclear or
10 nonnuclear?

11 A No. I, as I say, this is a general
12 observation. I don't know specifically about power
13 plants in Florida. I would be very surprised if there
14 was anything in transmission distribution that may
15 have been on a nuclear plant basis. I think Port St.
16 Lucie, there was an issue about that plant with the
17 FPL Group or FPL, at least, but I don't recall the
18 details of that.

19 Q Okay. You say that -- let me ask you this.
20 Is it your testimony that there has never been a used
21 and useful adjustment in the telephone industry?

22 A I don't think I went quite that far. But in
23 general, as I said in my summary statement, I would
24 like to be treated the same as electric, gas and
25 telephone companies. And I do feel that there is a

1 significant difference at the present time in Florida
2 between the way the water business is treated from the
3 used and useful standpoint as compared to the other
4 utilities.

5 Q Okay, sir. And lastly, is it your testimony
6 that telephone and electric companies in the state of
7 Florida, or anywhere, for that matter -- let's keep it
8 to the state of Florida -- are granted margin reserve
9 or the equivalent in the range of 10 to 20 years?

10 A Well, in my experience in Minnesota, we will
11 build distribution lines transmission lines which have
12 substantial excess capacity in them. And it depends
13 of course a lot on what the growth is in the system.
14 But it's not unusual for us to build a distribution
15 line and have it be there for 10, 20, 30 years and not
16 have to be expanded.

17 Q I see. But do you have an answer to my
18 question?

19 A I thought that was an answer to your
20 question.

21 Q No, sir. I asked you if it was your
22 testimony that in Florida telephone and electric
23 companies are granted by this Commission margin
24 reserve or their equivalent for those industries of 10
25 to 20 years? And if you don't know, that's fine.

1 A No, I don't know specifically about Florida.

2 MR. TWOMEY: Thank you very much, sir, I
3 hope you catch your plane.

4 CHAIRMAN CLARK: Staff?

5 MS. O'SULLIVAN: No questions.

6 CHAIRMAN CLARK: Redirect?

7 MR. ARMSTRONG: No redirect.

8 CHAIRMAN CLARK: Thank you very much
9 Mr. Sandbulte, I hope you make your flight.

10 WITNESS SANDBULTE: Yes. I appreciate it
11 very much, thank you.

12 CHAIRMAN CLARK: Exhibits?

13 MR. ARMSTRONG: The Company moves
14 Mr. Sandbulte's exhibit, was it 200?

15 MS. O'SULLIVAN: 202.

16 CHAIRMAN CLARK: That's correct, it's 202.
17 Thank you.

18 (Exhibit No. 202 received in evidence.)

19 (Witness Sandbulde excused.)

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21 CHAIRMAN CLARK: The next on my list is
22 Carlyn Kowalsky.

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CARLYN KOWALSKY

was called as a rebuttal witness on behalf of Southern States Utilities, Inc. and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. HOFFMAN:

Q Could you state your name and business address?

A Yes. My name is Carlyn Kowalsky, and my business address is 1000 Color Place, Apopka, Florida 32703.

Q And you are the same Carlyn Kawolsky who has previously filed prefiled direct testimony in this proceeding?

A Yes.

Q Ms. Kowalsky, have you prepared and caused to be filed 14 pages of prefiled rebuttal testimony excluding your cover page in this proceeding?

A Yes.

Q Do you have any changes or revisions in your rebuttal testimony?

A No.

Q If I asked you the questions contained in your prefiled rebuttal testimony today, would your answers be the same?

1 A Yes, they would.

2 MR. HOFFMAN: Madam Chairman, I would ask
3 that Ms. Kawolsky's prefiled rebuttal testimony be
4 inserted into the record as though read.

5 CHAIRMAN CLARK: The prefiled rebuttal
6 testimony of Carlyn Kowalsky will be inserted into the
7 record as though read.

8 MR. HOFFMAN: Thank you.

9 Q (By Mr. Hoffman) And you have no exhibits
10 to your rebuttal; is that correct?

11 A I believe there is an exhibit.

12 Q I'm sorry, you do. You have CHK-6?

13 A Correct.

14 MR. HOFFMAN: Madam Chairman, may we have
15 Ms. Kowalsky's rebuttal Exhibit CHK-6 marked for
16 identification?

17 CHAIRMAN CLARK: That will be marked as
18 Exhibit 206.

19 MR. HOFFMAN: Thank you.

20 (Exhibit No. 206 marked for identification.)

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1 Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

2 A. My name is Carlyn H. Kowalsky and my business
3 address is 1000 Color Place, Apopka, Florida 32703.

4 Q. WHAT IS YOUR RESPONSE REGARDING KIM DISMUKES'
5 TESTIMONY THAT SSU HAS NOT PROVIDED ADEQUATE COST
6 BENEFIT ANALYSES OF VARIOUS CONSERVATION METHODS?

7 A. SSU has generated this proposed conservation
8 program in large part due to pressure from the
9 Water Management Districts to expand our
10 conservation efforts. Every District now requires
11 us to demonstrate that we are undertaking all
12 possible conservation measures. SWFWMD is
13 continuing to impose tighter and tighter per capita
14 requirements and we believe permits will not be
15 granted in the future if the consumption of our
16 customers is not reduced within acceptable levels.
17 That's why we selected communities with the highest
18 usage to target our efforts. Of course, Valrico
19 was selected because it does not meet the proposed
20 SWUCA restrictions. In preparing SSU's enhanced
21 conservation program, our conservation committee
22 undertook a significant amount of research and
23 analysis. We looked at customer use trends based
24 on SSU billing records. We educated ourselves
25 about successes and problems of other utility

1 conservation programs. We worked with experts at
2 the water management districts to include elements
3 in our program they felt would be effective. We
4 reviewed the programs implemented by the City of
5 Tampa, Hillsborough County and others regarding
6 plumbing retrofit kits and rebate programs. The
7 implementation of similar programs is widespread.
8 SWFWMD has cooperatively funded about 20 different
9 retrofit and rebate programs. SWFWMD would not be
10 funding these programs if they did not think they
11 were effective.

12 If other utilities had not implemented these
13 programs because of reservations similar to those
14 of Ms. Dismukes, we would not have this
15 conservation experience on which to continue to
16 build successful conservation programs. I believe
17 SSU has adequately demonstrated that the proposed
18 conservation program can be expected to benefit
19 SSU's customers. If we were prevented from moving
20 forward with this enhanced conservation program
21 until we produce a cost/benefit study in the detail
22 suggested by Ms. Dismukes, we could spend more
23 money proving that the programs will be effective
24 than we would actually implementing the
25 conservation efforts outlined in the program and we

1 would not be meeting the objectives advocated by
2 the water management districts.

3 **Q. WHAT IS YOUR RESPONSE TO KIM DISMUKES' TESTIMONY**
4 **THAT ALL ADVERTISING COSTS SHOULD BE DISALLOWED?**

5 A. Public support is critical for a successful water
6 conservation program. Ms. Dismukes suggests that
7 some of SSU's conservation efforts have been merely
8 undertaken to enhance the image of the company.
9 Her opinion appears to be generated from various
10 comments, taken out of context, contained on
11 invoices from the consultant employed by SSU to
12 assist with development and implementation of the
13 Marco Island conservation program. First of all,
14 it is very clear that conservation programs cannot
15 be successful without public participation and
16 support. Advertising is an integral part of making
17 this happen. If these efforts incidentally result
18 in reflecting a positive image for the company,
19 this can only be viewed as a good thing that will
20 serve to make the conservation efforts more
21 successful rather than a negative circumstance. To
22 suggest disallowance of costs associated with
23 advertising would only serve to undermine the
24 success of the conservation program.

25 **Q. WHAT IS YOUR RESPONSE TO KIM DISMUKES' TESTIMONY**

1 **REGARDING THE EFFECTIVENESS OF SSU'S PROPOSED**
2 **RETROFIT KITS FOR TARGETED COMMUNITIES?**

3 A. Ms. Dismukes questions the benefit of spending
4 \$60,000 on retrofit kits for the targeted
5 communities. The Water Management Districts
6 through the consumptive use permitting process are
7 requesting that we expand our existing conservation
8 program to include more aggressive measures like
9 this retrofit program. For example, the SJRWMD
10 suggests in Appendix K to the Applicants Handbook
11 for Consumptive Uses of Water, that utilities
12 implement an indoor plumbing retrofit program in at
13 least 10% of the connections served.

14 Ms. Dismukes also suggests that SSU's program
15 may be unsuccessful because customers are not
16 likely to utilize "cheap devices." SSU has
17 investigated the conservation methods utilized by
18 other utilities to get an idea of what programs
19 have been successful in the past. The memorandum
20 from George Cecil, Image Marketing, dated August
21 30, 1994 regarding Retrofit Research begins with
22 the following general conclusion, "All [utilities
23 contacted] found the programs beneficial when
24 implemented properly. Water savings were
25 substantial..." Mr. Cecil reported on programs

1 implemented by utilities in Tucson, Arizona;
2 Ottawa, Canada; El Paso, Texas; Tampa, Florida;
3 Austin, Texas; and Boston, Massachusetts. In one
4 instance, the Tucson utility reported that because
5 the customers were not receiving adequate water
6 pressure, the retrofit devices were not well
7 received. SSU should be commended, not criticized
8 for doing its homework and investigating the
9 potential problems others have incurred, so that we
10 can learn from those problems and implement our
11 program utilizing the best information available.

12 There are several important aspects of a
13 successful retrofit program. Certainly, we need to
14 ensure that the quality of the devices are such
15 that the customers will utilize them. Of the 6,253
16 SSU has distributed so far, we have not received
17 any complaints about the quality of the devices,
18 nor any indication from customers that they do not
19 want to utilize them for any other reason. Many
20 other utilities have distributed these devices and
21 obtained a high level of participation. A
22 continuing customer education program is also a
23 critical component of any retrofit program to
24 inform the customers about the reasons for
25 conservation and the benefits they can achieve.

1 Equally important are the follow-up surveys to
2 ascertain what components were well received and
3 what components can be improved on.

4 **Q. WHAT IS YOUR RESPONSE TO KIM DISMUKES' TESTIMONY**
5 **THAT THE COST OF CUSTOMER SURVEYS SHOULD NOT BE**
6 **RECOVERED?**

7 A. Surveys to document customer participation in
8 certain water conservation measures is an integral
9 part of a meaningful conservation program. These
10 surveys are essential to gauge the effectiveness of
11 our conservation efforts. The AWWA White Paper
12 entitled, Water Conservation and Water Utility
13 Programs, June 28, 1995, notes that, "Conserved
14 water can be considered a reliable water source...
15 Some water planners feel, however that the
16 predictability and permanence of conservation
17 measures have not been proven to the same degree as
18 traditional supply measures... Reliability concerns
19 underscore the ongoing need for utilities to
20 monitor and document the effectiveness of their
21 conservation programs..." The Water Management
22 Districts also recommend customer follow up when
23 developing a conservation program.

24 **Q. WHAT IS YOUR RESPONSE TO KIM DISMUKES' TESTIMONY**
25 **THAT IRRIGATION SHUT-OFF DEVICES ARE NOT EFFECTIVE?**

1 A. Ms. Dismukes raises a concern about allocating
2 \$20,000 to a rain sensor rebate program, because
3 she says the effectiveness of these devices are
4 uncertain. As the basis for her opinion she relies
5 on comments contained in a survey of local
6 contractors on Marco Island. One contractor noted
7 that the devices only shut off the system for 2-3
8 hours after it rains. Another contractor noted a
9 bad experience with soil moisture sensors. These
10 appear to be isolated instances concerning devices
11 other than the Mini-clik proposed by SSU. The
12 Mini-Clik rain sensor has proven successful in many
13 applications across Florida. The device may be
14 adjusted so that it shuts off the irrigation system
15 after the device receipt of 1/8, 1/4, 1/2 or 1 inch
16 of rainfall. It is not dependent on soil
17 conditions. Therefore, if the device is properly
18 set, it will shut off the system for a sufficient
19 period of time to prevent irrigation during rainy
20 periods. The time it takes for the moisture
21 sensors to dry out and allow the system to re-set
22 depends on temperature and humidity. One safeguard
23 employed by the Mini-clik is that the moisture
24 sensors are encased so that leaf debris and other
25 materials can not clog the devices. Other rain

1 sensors have utilized a cup to collect the rainfall
2 which often became clogged with debris and rendered
3 the devices ineffective. This does not happen with
4 the Mini-clik.

5 In 1991-1992, Lee County, in cooperation with
6 the SFWMD, implemented a rain sensor program
7 utilizing the Mini-clik rain sensor. The Lee
8 County project was instituted to study the
9 effectiveness of the rain sensor devices to assess
10 the appropriateness of adopting a County Ordinance
11 requiring retroactive installation. After
12 distribution of about 180 rain sensors and
13 gathering one year's worth of data they determined
14 that the devices resulted in average water savings
15 of 31% for irrigation use.

16 SWFWMD indicates that they have successfully
17 utilized the Mini-click in a number of their
18 Xeriscape demonstration sites. Furthermore,
19 SJRWMD's Applicant's Handbook for Consumptive Uses
20 of Water recommends implementation of a rain sensor
21 distribution program in at least 10% of the
22 applicable connections served.

23 **Q. WHAT IS YOUR RESPONSE TO KIM DISMUKES' TESTIMONY**
24 **THAT THE PROPOSED CONSERVATION PROGRAM FOR VALRICO**
25 **HILLS IS NOT WARRANTED?**

1 A. Valrico Hills is one of the six communities chosen
2 by the conservation committee for participation in
3 the enhanced conservation program including
4 plumbing retrofit kits, toilet and rain sensor
5 rebates, and expanded public education efforts.
6 SSU is proposing to spend approximately \$14,000 to
7 effect conservation in this community. We chose to
8 target this community because following adoption of
9 SWFWMD's Southern Water Use Caution Area rules, we
10 must comply with the 110 per capita consumption
11 requirement, which this community has not met in
12 the past. Ms. Dismukes suggests that because
13 Valrico Hills (located in Hillsborough County) has
14 lower rates than many areas, their consumption
15 habits could be changed by simply changing their
16 rate structure.

17 I disagree. A change in rate structure alone
18 is not the most effective way to effect
19 conservation. The American Water Works
20 Association, in a white paper entitled, Water
21 Conservation and Water Utility Programs, dated June
22 28, 1995, states, "Conservation-oriented water rate
23 structures by themselves do not constitute an
24 effective water conservation program. Rate
25 structures work best as a conservation tool when

1 coupled with a sustained customer education
2 program... Participation in other water
3 conservation programs, such as plumbing-fixture
4 retrofit and replacement programs, can also be
5 enhanced by rate incentives and customer
6 education." Accordingly, the costs for the
7 enhanced conservation program for Valrico Hills
8 should be allowed. A copy of this document is
9 attached as Exhibit 206 (CHK-6).

10 **Q. WHAT IS YOUR RESPONSE TO MS. DISMUKES' CRITICISM OF**
11 **THE MARCO ISLAND WATER AUDITS?**

12 A. First, Ms. Dismukes suggests that SSU should not be
13 allowed to recover \$20,000 for a continuation of
14 the Marco residential water audit program. She
15 concludes that since only 7 of 17 single facility
16 residents participated in the program in 1995, it
17 is not likely that customers would participate in
18 1996. Contrary to Ms. Dismukes' characterization,
19 the 1995 Marco Island water audit program was quite
20 successful. The audit report notes that 66 of 78
21 commercial/multi-family customers participated.
22 Water saving recommendations provided to these
23 customers included: adjustment of irrigation system
24 pressures and coverage zones, installation of rain
25 sensors, consolidation of high water demand

1 vegetation, adjustment of fertilization measures,
2 and capping of spray heads in mature shrubs.
3 During the follow-up visits, property managers
4 indicated that they had begun implementing many of
5 these recommendations. If cost recovery of this
6 program is allowed, SSU plans to offer water audits
7 to additional customers. Education of these
8 customers is critical to changing their high water
9 use habits for the long term.

10 **Q. DO YOU HAVE ANY OTHER COMMENTS REGARDING MS.**
11 **DISMUKES' CRITICISM OF THE MARCO ISLAND**
12 **CONSERVATION PROGRAM?**

13 A. Yes. I disagree with Ms. Dismukes' comments about
14 the success of our conservation efforts on Marco
15 Island. SSU's conservation efforts on Marco Island
16 have been very successful. In 1991, average
17 consumption for residential water customers on
18 Marco Island was 23,462 gallons per month. SSU
19 initiated its conservation public education program
20 in 1991 with projects such as development and
21 distribution of conservation publications and
22 articles, the Speaker's Bureau, Open Houses, and
23 conservation presentations to schoolchildren by the
24 Small Change Original Theater. In 1993, SSU
25 expanded its conservation efforts on Marco Island

1 and distributed about 3,000 free plumbing retrofit
2 kits to SSU water customers. SSU launched a more
3 intensive conservation campaign in late 1994
4 including additional conservation workshops, high
5 volume user water audits, and customer surveys.
6 Average residential customer use in 1995 was down
7 to 14,928 gallons per month. These intensive
8 conservation efforts appear to have been effective
9 in reducing consumption between 1991 and 1995 and
10 should be continued. Because water supply issues
11 are particularly acute for Marco Island, continued
12 conservation efforts on Marco are essential to
13 assure sustainable water supplies. It is important
14 that the conservation message remain visible so
15 that water conservation can become a habit for all
16 Marco Island customers.

17 **Q. COULD YOU PROVIDE AN UPDATE OF SOME OF THE**
18 **HIGHLIGHTS OF SSU'S CONSERVATION EFFORTS SINCE THE**
19 **FILING OF YOUR DIRECT TESTIMONY?**

20 **A.** Yes. I and other members of SSU's conservation
21 committee have become quite active in the Florida
22 Water Wise Council. In October, we participated in
23 a seminar organized by the Water Wise Council
24 entitled "H2 Options." A variety of professionals
25 working in industry, agricultural, and utilities

1 participated in the conference. Representatives of
2 these groups, including SSU, shared their ideas and
3 experiences about successful water conservation
4 programs. In January, 1996, SSU staff participated
5 in "Conserve '96," a national conference held in
6 Orlando dedicated to water conservation strategies.
7 In March, 1996, SSU volunteers helped to organize a
8 program of Water Wise Landscaping, held at Leu
9 Gardens in Orlando. This program was designed to
10 educate the public on water saving landscaping
11 techniques. SSU has also developed a new
12 conservation publication regarding Irrigation
13 Conservation, which has been mailed to every SSU
14 customer. This document describes methods the
15 individual homeowner can employ to save water in
16 the landscape and includes a worksheet for
17 customers to determine how much water they use for
18 irrigation so that they can better manage their
19 water use.

20 **Q. SSU WITNESS PASTER HAS SUGGESTED THAT YOU COULD**
21 **EXPLAIN THE CURRENT STATUS OF THE PROJECT AT**
22 **DELTONA LAKES IDENTIFIED IN EXHIBIT _____ (JDW-8)**
23 **AS "DHCC-EFF DISP. IMPROVE." CAN YOU PROVIDE THAT**
24 **STATUS?**

25 **A.** Yes. This project consists of costs incurred to

1 defend a lawsuit which will enable SSU to continue
2 to discharge effluent at the Glen Abbey Golf Course
3 and secure the use of the adjoining James Pond for
4 wet weather discharge. The plaintiffs are entities
5 which secured ownership of the golf course by
6 foreclosure on the golf course owner with which SSU
7 had entered an effluent disposal agreement.
8 Basically, the plaintiffs alleged an inverse
9 condemnation and trespass/flooding. On February
10 13, 1996, after a non jury trial on the inverse
11 condemnation claim, the judge entered an oral
12 ruling in favor of SSU finding that no inverse
13 condemnation had occurred.

14 **Q. DOES THAT CONCLUDE YOUR PRE-FILED REBUTTAL**
15 **TESTIMONY?**

16 **A. Yes it does.**

1 Q (By Mr. Hoffman) Ms. Kowalsky, have you
2 prepared a summary of your rebuttal testimony?

3 A Yes, I have.

4 Q Could you please offer your summary.

5 A Sure. The OPC has several criticisms of
6 SSU's water conservation program and relies on those
7 criticisms to recommend that SSU's proposed
8 conservation program be reduced from about \$524,000 to
9 \$175,000.

10 This would eliminate the enhanced
11 conservation program for the high use communities, all
12 costs for conservation literature searches and
13 updates, all costs listed as public relations, half of
14 all advertising costs, costs for the Marco water
15 audits, the Marco retrofit kit survey, and part of
16 cost for the state-wide conservation education
17 program.

18 First, it is alleged that SSU has not done
19 an adequate cost/benefit analysis of all available
20 conservation methods. I submit we have done an
21 appropriate analysis given the wealth of information
22 regarding the successful conservation programs of
23 other water utilities.

24 The costs of the program are identified in
25 several places in Exhibit CHK-3, which was provided

1 with my direct testimony. And specifically Page 58 of
2 that document shows about \$275 allocated for plumbing
3 retrofit kits and rebates for low flow toilets and
4 rain sensors.

5 Page 60 of CHK-3 quantifies the water
6 savings from these efforts to be 143 million gallons
7 per year.

8 To perform a mathematical analysis in the
9 level of detail that seems to be suggested by the
10 Office of Public Counsel would be an inefficient use
11 of money, since the analysis of these conservation
12 measures has been over and over again by other
13 utilities and conservation experts all across Florida
14 and in the United States.

15 Florida's water management districts have
16 cooperatively funded many of these conservation
17 programs and have reviewed the costs and associated
18 benefits. Obviously, if they did not believe they
19 were cost-effective, they would not fund them.

20 The Southwest Florida Water Management
21 District has indicated their support for aggressive
22 water conservation programs by recently approving
23 \$100,000 of funding for retrofit kits and low flow
24 toilet rebates at the same unit cost as the enhanced
25 program for the customers of Spring Hill.

1 Although they have not supplied any
2 cost/benefit analysis themselves, the Office of Public
3 Counsel states that the measures we have proposed will
4 not be effective. There is no basis for this
5 position. We have already seen SSU customers accept
6 and utilize retrofit kits and rebates. This has also
7 been demonstrated many times with the retrofit
8 programs of other units.

9 I would like to just address briefly the
10 items, the other items, that were proposed to be
11 eliminated.

12 With regard to customer surveys, it has been
13 testified by the water management districts that
14 surveys are essential to gauge the effectiveness of
15 conservation program elements; and in fact, they would
16 provide exactly the type of information that we are
17 being criticized as not providing in this case.

18 With regard to irrigation shut-off devices,
19 it has been stated that those devices are ineffective.
20 I would disagree with that statement. The Mini-Clik
21 device which we are proposing to use, which is the
22 rain sensor device, has been shown to be effective in
23 numerous applications throughout the state.
24 Improvements made from prior rain sensors which used
25 to utilize a cup to collect the rainwater, those cups

1 would often get clogged with debris. And the new
2 devices have overcome that defect and no longer -- it
3 involves a enclosed case so that it can't get clogged
4 with the debris and it therefore will operate
5 effectively.

6 These devices have been used all over the
7 state in water management district demonstration
8 projects in a broad range of residential landscape
9 applications.

10 With regard to the Valrico Hills program, it
11 is suggested that the best way to do conservation
12 measures for that community is through rate
13 structures. I disagree with that position based on
14 the American Waterworks Association White Paper which
15 states, "Conservation rate structures by themselves do
16 not constitute an effective water conservation program
17 but work best when coupled with other conservation
18 activities."

19 I emphasize that the reason we identified
20 Valrico Hills for this program is because it would be
21 subject to the 110 per-capita requirement in the
22 Southern Water Use Cautionary Rules. Our programs is
23 proposed so we can comply with those rules.

24 It is suggested a disallowance of \$20,000
25 for the Marco water audits. When we did the Marco

1 water audits in 1995, the customers indicated a high
2 interest in this program. Water-saving measures
3 employed as a result of the water audits included
4 adjustment of irrigation system pressures and zones,
5 consolidation of high water demand vegetation,
6 adjustment of fertilization programs, and capping of
7 spray heads in mature shrubs. All of these measures
8 will have long-term benefits and we recommend that
9 such audits be continued.

10 It is clear that the efforts on Marco Island
11 have paid off. Beginning in 1991, average consumption
12 was about 23,000 gallons per month. After
13 implementation of SSU's conservation program, 1995
14 consumption was about 15,000 gallons per month.

15 It is important that we continue these
16 efforts so that customers will continue to practice
17 water conservation.

18 With regard to the Marco program, OPC
19 recommends a disallowance of \$35,000 for funds
20 provided by water management districts through cost
21 share programs. I would like to clarify that SSU has
22 only been awarded \$10,000 for a portion of our Marco
23 Island conservation program in 1996 and we have not
24 entered into any cost share contract for \$25,000, as
25 indicated in Ms. Dismukes' testimony.

1 Finally, with regard to advertising, the
2 Office of Public Counsel recommends that one-half of
3 the costs budgeted for advertising be eliminated.
4 Conservation experts agree that public participation
5 and support is critical for a successful conservation
6 program. To delete these costs would only serve to
7 undermine the success of the program.

8 That concludes the summary of my rebuttal
9 testimony.

10 Q Ms. Kowalsky, your voice trailed on one
11 statement, I just wanted to make sure the record was
12 clear.

13 When you were discussing the average
14 residential customer use going down to approximately
15 15,000 gallons per month, did you refer to the year
16 1995?

17 A Yes.

18 MR. HOFFMAN: Thank you. She's available
19 for cross examination.

20 CHAIRMAN CLARK: Mr. McLean?

21 MR. McLEAN: Yes, ma'am. Madam Chairman,
22 I'm going to pass out a few exhibits. Perhaps we
23 could proceed with the questioning while Ms. Dismukes
24 is doing that.

25 CHAIRMAN CLARK: The next exhibit number I

1 have is 207.

2 MR. McLEAN: There are four groups of
3 exhibits there; we've tried to follow your mandate on
4 that particular issue.

5 CHAIRMAN CLARK: Okay.

6 MR. McLEAN: Madam Chairman, we may or may
7 not refer to them as the testimony develops. We're
8 pretty late in the case; the exhibits were prepared
9 very early in the case, and some of them may require
10 no reference at all. If we can proceed to the
11 questioning, I'll make reference to those if and when
12 we have to refer to them.

13 CHAIRMAN CLARK: All right. Then we won't
14 mark anything as an exhibit until you indicate we need
15 to.

16 MR. McLEAN: Thank you, Madam Chairman.

17 CHAIRMAN CLARK: All right.

18 **CROSS EXAMINATION**

19 BY MR. McLEAN:

20 Q Ms. Kowalsky, would you refer to your
21 testimony, Page 1, Line 10. Do you have that, ma'am?

22 A Yes.

23 Q You say, "Every district now requires us to
24 demonstrate that we are undertaking all possible
25 conservation measures."

1 A Yes.

2 Q That seems to me a bit of an overstatement.

3 Is that what you perceive the district requires?

4 A Yes, it is.

5 Q Do you think that the district permits you

6 to go to them and show that a program is not

7 economically feasible?

8 A Sure.

9 Q That's what their rules say, right? But
10 your testimony says that they require you to undertake
11 all possible conservation measures.

12 A Well, I think what I'm saying is that with
13 my experience with water management districts they do
14 require us to undertake all possible conservation
15 efforts within reason. I mean, they certainly
16 wouldn't require us to do something that was
17 unreasonable.

18 Q Okay. Let's see if we can put a dimension
19 on "unreasonable." Does "cost-effective" fit in your
20 definition of "unreasonable"?

21 A We, certainly, if I felt the program was
22 not cost-effective, I would argue to the Water
23 Management District that we not be required to do it.
24 And I believe that they would, in fact, not require us
25 to do it.

1 Q Okay. So perhaps if some day in the future
2 you have the opportunity to go to the Water Management
3 District and say, "The Commission did not permit these
4 expenses," do you think that would persuade the Water
5 Management District to relieve you of the obligation
6 to implement the program?

7 A I would certainly think so.

8 Q Okay. And incidentally, isn't it true that
9 if you don't get the money, at least for the
10 enhancements, that the Company may well not implement
11 those enhancements? Isn't that correct? Isn't that
12 consistent with an answer which you gave in discovery?

13 A Yes.

14 Q Okay. On Page 2, Ms. Kowalsky, Line 3, it
15 is your testimony there that you reviewed the programs
16 implemented by the City of Tampa and Hillsborough
17 County. And you talk about some of the specific
18 aspects of their conservation programs; and I want to
19 ask you about their programs, rather, in general.

20 Isn't it true that both those organizations,
21 namely, Hillsborough County and Tampa, both have
22 inclining block rates?

23 A I would have to refer back to the discovery
24 request on that one. I did provide you with those
25 rates.

1 MR. McLEAN: Fortunately. Madam Chairman, I
2 would ask that the first in the stack, hopefully,
3 Kowalsky Documents No. 1, there's a 25-paged item with
4 that on the cover. Would you mark that for
5 identification, please, ma'am?

6 CHAIRMAN CLARK: That will be Exhibit 207.

7 MR. McLEAN: Thank you, ma'am.

8 (Exhibit No. 207 marked for identification.)

9 Q (By Mr. McLean) Ms. Kowalsky, this might be
10 a little cumbersome because, as I said, we might not
11 be referring to every page of this. But would you
12 turn to Page 5 of the exhibit which the Chairman has
13 just marked No. 207?

14 A Yeah.

15 Q Do you have that page, Page 5?

16 A Has a 5 in the bottom right-hand corner?

17 Q Yes, ma'am, hand-numbered Page 5. I
18 apologize.

19 A All right.

20 Q Ms. Kowalsky, I'm sorry, look first to
21 Page 1, if you will. And that's the document
22 production request to which you referred, is it?

23 A Excuse me?

24 Q Okay, I'm sorry. Look at Page 1 of the
25 exhibit, hand-numbered Page 1?

1 A Okay.

2 Q Says Interrogatory No. 359?

3 A Yes.

4 Q Respondent is Carlyn Harper Kowalsky, which
5 is yourself, correct?

6 A Correct.

7 Q And the response which you provide is the
8 very last sentence there, "Attached as Appendix 359-A
9 is a copy of the water charges for City of Tampa.
10 Attached as Appendix 359-B is a copy of the water
11 charges for Hillsborough County." Correct?

12 A Correct.

13 Q Okay. Now let's look at Page 5,
14 hand-numbered Page 5 of the exhibit down at the
15 right-hand corner. And up to the top of the page is
16 359-B, which I believe you said in your interrogatory
17 response is Hillsborough County, correct?

18 A It's a continuation of a brochure that they
19 mailed us with their rates.

20 Q Yes, ma'am. I'm sorry, Ms. Kowalsky, I can
21 barely hear you. I do apologize.

22 A Okay.

23 Q Let's look at that Page 5 and let's see
24 whether they have an inclining block rate. Look at
25 the left -- I'm sorry, the right-hand column under

1 "Water Rates." Do you see the first block -- the
2 first box, I should say. The box in the left column;
3 "Consumption in Gallons" in the center column;
4 "Monthly User Charge per 1,000 Gallons," in the right
5 column. Do you have that?

6 A Yes.

7 Q Do you see that they have five inclining
8 blocks? And by "inclining blocks," I mean that the
9 unit cost per gallon goes up as usage increases?

10 A Yes.

11 Q Do you agree with that?

12 A Yes.

13 Q You would characterize that as an inclining
14 block rate, wouldn't you?

15 A Yes.

16 Q Okay. Now, there's another aspect that
17 happens to be on this page I would like to examine
18 briefly. Do you see the monthly base charge over in
19 the left-hand -- in the left half of the page there's
20 a monthly base charge of \$3.50?

21 A Yes.

22 Q Do you have that?

23 A Yes.

24 Q And down at the bottom of that page is \$3
25 for each bill -- I'm sorry, halfway down, "Customer

1 service charge, \$3 each bill." Do you have that?

2 A Yes.

3 Q Now, Ms. Kowalsky, I don't want to entertain
4 the Commission too long with two lawyers doing
5 arithmetic here, but let's look to see what an 8,000
6 gallon customer's bill would be. We know that it
7 would be \$3.50 monthly base charge, correct?

8 A Yes.

9 Q And a customer service charge of \$3. That's
10 \$6.50?

11 A Right.

12 Q And the gallonage charge if that customer
13 used 8,000 gallons would be 8 times \$2 or \$16, right?

14 A Right.

15 Q Okay. Such that the total bill would be
16 \$22.50. Are you with me?

17 A Right.

18 Q Okay. Now would you accept, subject to my
19 arithmetic, that that means that 29% of that charge is
20 a base facility charge -- or at least an analog for
21 base facility charge -- and that \$16 is the gallonage
22 charge?

23 A You said --

24 Q Do you accept that, ma'am?

25 A You said 29% is the?

1 Q Well, let's strike it as 70%. Did I
2 misstate? I'm getting ahead of myself.

3 Okay. We have a \$22.50 total bill.

4 A Right.

5 Q Are you with me with that?

6 A Yes.

7 Q \$6.50 is the base facility charge portion of
8 that.

9 A Right.

10 Q And \$16 is the gallonage charge, correct?

11 A Right.

12 Q You have that? Would you accept subject to
13 my arithmetic that that is very close to a 70/30 split
14 between gallonage charge and base facility charge?

15 MR. HOFFMAN: I'm going to object and just
16 ask for clarification, Counsel.

17 MR. McLEAN: Sure.

18 MR. HOFFMAN: I think in your previous
19 questions you characterized the \$3.50 as a base
20 facility charge; and now it appears as though you are
21 saying that the \$3.50 plus the customer service charge
22 of \$3 equates to a \$6.50 base facility charge. And I
23 just wanted to make sure --

24 MR. McLEAN: For clarification, yes, that's
25 correct.

1 Q (By Mr. McLean) Well, does it appear to you
2 Ms. Kowalsky, that customer service charge varies with
3 usage?

4 A Yes. Excuse me, what did you say, customer
5 service charge?

6 Q Right. It appears not to vary with usage?

7 A Right.

8 Q Isn't that right? Now the point of all this
9 is to show that the split between gallonage and BFC is
10 70/30. Do you agree with that?

11 Do you agree that that is the case with
12 respect to Tampa -- I'm sorry, with Hillsborough?

13 A Well, you know, I haven't really analyzed
14 their rates, I can tell you that. And I think your
15 example is with regard to one particular level of
16 usage, and I'm not sure if that would hold true in
17 every case.

18 Q Well, as usage goes up, wouldn't it be the
19 case that the gallonage aspects of the charge is even
20 more highly loaded with respect to the base facility
21 charge?

22 A Okay.

23 Q Now Southern States is moving from 37 -- I'm
24 sorry, 33/67 to 40/60, isn't it?

25 A I didn't really testify about that.

1 Q Well, you hold out the programs of Tampa and
2 Hillsborough County to be persuasive to the
3 Commission, don't you?

4 A I hold out that their conservation programs
5 apply and can be relied on for purposes of looking at
6 the effectiveness and the appropriateness of our
7 conservation program.

8 Q Okay. And I would like you to agree with me
9 that there are some aspects of that conservation
10 program which are noticeably lacking from the SSU
11 program, namely inclining block rates; and,
12 number two, the degree to which revenue is loaded on
13 to gallonage as opposed to base facility charge?

14 A I really did not address rate structures in
15 my testimony or in any of my analysis.

16 Q Well, my suggestion to you, Ms. Kowalsky, is
17 perhaps that you should have. Would you agree with
18 that?

19 A No, I would not.

20 Q Is rate structure not an important aspect of
21 conservation programs?

22 A It can be a component. And I think other
23 witnesses have testified to that.

24 Q So are you saying that -- Ms. Kowalsky, here
25 is a point which I would like to be clear on and see

1 if I follow your logic on the point. And that is,
2 your suggestion to the Commission that the
3 conservation programs employed the City of Tampa and
4 the County of Hillsborough ought to be persuasive to
5 the Commission because yours is similar to them.
6 Isn't that the gist of at least part of your
7 testimony, particularly your summary?

8 A That's true.

9 Q Okay.

10 A But I did not address their rate structure
11 in our rate structure.

12 Q But aren't rate structures extremely if not
13 critically important to conservation programs?

14 A It's one component of a conservation effort.

15 Q Is it an important component?

16 A I don't know.

17 Q Ms. Kowalsky, let's look to Page 3 of your
18 testimony, Line 3, please. Do you have that, ma'am?

19 A Yes.

20 Q The question that you asked yourself there,
21 or that you arranged to be asked, is, "What is your
22 response to Kim Dismukes' testimony that all
23 advertising costs should be disallowed?"

24 Yet I thought that I heard in your summary
25 that Ms. Dismukes permitted half of the advertising

1 costs; is that correct?

2 A That's correct.

3 Q Do you believe your testimony should be
4 amended on that point?

5 A Yes.

6 Q Okay. Now let's look down to the next, to
7 Line 9 on the same page. Here you turn to -- here
8 Ms. Dismukes made reference to a number of quotes on
9 invoices from an organization known as Image
10 Marketing; do you recall that?

11 A Yes, I do.

12 Q You set forth here to criticize Ms. Dismukes
13 for taking those comments out of context?

14 A Yes.

15 MR. McLEAN: Let's turn to an exhibit I
16 think may already be marked for identification.

17 No, I'm sorry. Madam Chairman, there is a
18 second -- a third, rather -- document stapled together
19 called, "Selected Invoices and Letters, Image
20 Marketing Associates, Inc."

21 CHAIRMAN CLARK: That will be marked as
22 Exhibit 208.

23 MR. McLEAN: 208, thank you, ma'am.

24 (Exhibit No. 208 marked for identification.)

25 Q (By Mr. McLean) Would you look to Page 1 of

1 that exhibit, please, Ms. Kowalsky.

2 A Yes.

3 Q Do you have it, ma'am?

4 A Yes.

5 Q And that says, that's a document request to
6 provide all memorandum from Image Marketing Company --
7 Marketing to the Company and all memoranda from the
8 Company to Image Marketing. Do you have that?

9 A Yes.

10 Q Okay. And would you look to the second --
11 and you provided a number of documents, or a person at
12 SSU provided a number of documents, with respect to
13 that request; is that correct?

14 A Tracy Smith provided the response, yes.

15 Q Okay. Now you undertook to allege that
16 Ms. Dismukes took a number of quotations out of
17 context, did you not?

18 A That was the reading of my --

19 Q Okay. Now Ms. Dismukes not only enumerated
20 some of those -- when Ms. Dismukes enumerated some of
21 those in her testimony, she provided some as examples,
22 correct?

23 A Yes, she did.

24 Q Okay. One of those she provided as an
25 example was some language about a Christmas float; do

1 you recall that?

2 A I don't recall exactly where that is. If
3 you want to ask me something about it.

4 Q Are you familiar with -- okay. Are you
5 familiar with Ms. Dismukes' criticism of the Christmas
6 float and the memorandum which was addressed to that
7 general topic?

8 A I'm just having trouble remembering if it
9 was her criticism or some criticism that came from
10 somewhere else. (Pause)

11 Q Ms. Kowalsky, the reference -- do you have
12 Ms. Dismukes' testimony before you?

13 A Did you give it to me?

14 Q I'm sorry?

15 A Did you provide me with a copy?

16 Q No, ma'am, I'm sorry, it's not in the
17 exhibits.

18 A Okay.

19 Q Let me ask you -- it may not be necessary.
20 Let me ask you generally if you recall a list of
21 quotations from Ms. Dismukes. It is the list of
22 quotations I believe to which you refer in your
23 rebuttal testimony. Let me read it to you.

24 Your rebuttal testimony says, "Her opinion
25 appears to be generated from various comments taken

1 out of context contained on invoices from consultants
2 employed by SSU," and so forth?

3 A Yes. I certainly recall my rebuttal
4 testimony.

5 Q Okay.

6 A I don't recall the specifics of
7 Ms. Dismukes' quotations.

8 Q Okay. I won't ask you about the specifics
9 but I do want to look at some of the documents to test
10 your theory that they are out of context. Are you
11 with me?

12 A Okay.

13 Q Let's look at Page 7 of the exhibit that the
14 Chairman has just marked for identification. Do you
15 have the exhibit?

16 A Exhibit 208?

17 A Yes, ma'am.

18 Q All right.

19 A Page No. 7?

20 A Page 7.

21 Q And let's look at that invoice there.

22 Now do you accept that this is one of the
23 documents that Ms. Dismukes was criticizing?

24 A I'm accept your representation that that's
25 what she was criticizing.

1 Q Okay. Now, Ms. Dismukes' testimony said,
2 Ms. Dismukes quotes from the exhibit, "The parade went
3 very well, and, judging from the reaction of the
4 crowd, the float was a big hit. The float looked
5 great (will send you photos as soon as they are
6 processed) and everything went very smoothly. You can
7 score this one as a positive PR effort all the way."

8 Ms. Kowalsky, you say that quote is out of
9 context. My invitation to you, Ms. Kowalsky, is to
10 put it in context for the benefit of the Commission.

11 A Well, I think you are asking me whether
12 PR -- whether the benefits of this float were, had a
13 conservation impact on our customers. And I think
14 what you are alleging is that no, it was merely a PR
15 effort.

16 What I will tell you is that the floats that
17 we have put together for the Marco Island parade on a
18 couple of occasions have all had a conservation
19 message. And we do employ a image marketing, and that
20 is the name of their company, Image Marketing, because
21 that is the only type of company that will perform
22 these kinds of efforts for us regarding conservation.

23 Their job is to put together these
24 conservation activities -- whether it be workshops,
25 open houses, parade floats. Whatever kind of

1 community events that there might be going on in Marco
2 Island, they will tell us and say, "This is a good
3 opportunity for you to come and try to get your
4 conservation message across."

5 Q I see. Now this letter appears to be
6 information from that consulting firm to SSU to
7 describe to them what the benefits were. Is that fair
8 to say?

9 A This is a memo from Image Marketing to
10 Southern States.

11 Q Would you accept my observation that the
12 word "conservation" doesn't appear on the page? It
13 may have been on the float, Ms. Kowalsky, but is it on
14 the page by --

15 A Well, customers don't see the letter, they
16 see the float.

17 - - - - -

18 (Transcript continues in sequence in
19 Volume 36.)

20

21

22

23

24

25

DOCKET 950495-WS

EXHIBIT NO. 203

CASE NO. 96-04227



STATE OF FLORIDA
DEPARTMENT OF HEALTH AND
REHABILITATIVE SERVICES
District Four

LAWTON CHILES, GOVERNOR

HRS Duval County Public Health Unit
Environmental Health/Engineering Division
900 Building - Suite 300
900 University Boulevard North
Jacksonville, Florida 32211



ED AUSTIN, MAYOR

September 27, 1995

Ms. Catherine A. Walker, P.E.
Senior Permitting Engineer
Southern States Utilities, Inc.
1000 Color Place
Apopka, FL 32703

Re: Cobblestone Water Treatment
Plant Modifications

Dear Ms. Walker:

This is in reference to the Cobblestone Water Treatment Plant and the construction permit (No. 1695-WD-3210) which was issued on March 22, 1995 for Chlorination System Improvements. I am writing this because of on-going high chlorine complaints being received by this office. On September 7 a discussion with the system operator indicated that the chlorination system improvements are sorely needed to help alleviate maintenance problems associated with the fluctuations in the system chlorine residuals.

We encourage your company to move expediently on the execution of the aforementioned permit in order to effect an even application of chlorination to the system. Also, it appears that the limiting factor for the plant (the ground storage tank size) is exacerbating the high chlorine complaint problem by the fact that the ground storage tank detention time is not adequate during times of high demand. Accordingly, we seriously recommend that immediate consideration be given to an assessment of the limiting factors for the Cobblestone Water Treatment Plant and appropriate additional upgrades be initiated as indicated by the results of the assessment.

In regard to the June 30, 1995 Corrosion Control General Permit for the Cobblestone Water Treatment Plant (1695-WD-3312), we recommend that initiation of the pH adjustment treatment be commenced in accordance with the permit as soon as possible to minimize any effect of the intermittent high chlorine residuals on the corrosivity of the water.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS EXHIBIT NO. 203
COMPANY/ WITNESS: JPR Rodriguez
DATE: 9/29/95

DOCUMENT NUMBER-DATE
02354 FEB 26 96
FPSC-RECORDS/REPORTING

September 27, 1995

Ms. Catherine A. Walker, P.E.

I bring these matters to your attention because, in my opinion, it will be in the best interest of all parties involved to move toward stabilization of the operation of the Cobblestone Water Treatment Plant while simultaneously coordinating the installation of the necessary modifications for a smooth transition.

Thank you for your coordination in these and other matters. If you have any questions concerning this letter or wish to discuss the Cobblestone Water Treatment Plant situation please do not hesitate to contact me at (904) 630-3272.

Sincerely,


Thomas R. Hamilton, P.E. Supervisor II
Environmental Engineering Section

TRH/trh

Cc: Rafael A. Terrero, P.E.

THIS FILE



Southern States Utilities • 1000 Color Place • Apopka, FL 32703

RECEIVED

OCT 20 1995

ENVIRONMENTAL
ENGINEERING
DIVISION

October 11, 1995

Mr. Thomas R. Hamilton, P.E.
Supervisor II
HRS Duval County Public Health Unit
Environmental Health/Engineering Division
900 Building, Suite 300
900 University Boulevard North
Jacksonville, Florida 32211

Re: Cobblestone Water Treatment Plant Modifications

Dear Mr. Hamilton:

Thank you for your recent correspondence regarding the recommended improvements at the Cobblestone Water Treatment Facility. The following information is provided in response to your letters dated September 27, 1995, and October 3, 1995.

The chlorination system improvements authorized under construction permit no. 1695-WD-3210 are currently under construction and are expected to be in service prior to January 1, 1996. These improvements will help to alleviate problems associated with maintenance of a consistent chlorine dosage and acceptable system chlorine residuals.

In regard to the June 30, 1995 Corrosion Control General Permit (1695-WD-3312), equipment has been ordered, and we expect to have the pH adjustment improvements implemented by the end of November, 1995. With respect to your October 3, 1995 letter regarding permit no. 1693-WD-2842 for installation of Aqua-Mag at the Beacon Hills/Cobblestone Water Treatment facilities, review of the permit conditions and further evaluation of the system indicated that pH adjustment was a more desirable treatment than Aqua-Mag for this system. Consequently, plans were developed for installation of pH adjustment (caustic soda) for treatment to meet corrosion control requirements. Therefore, permit no. 1693-WD-2842 will not be implemented.

To respond to your comments regarding the ground storage tank size at Cobblestone, we have retained a consulting firm to perform preliminary engineering analysis of the Cobblestone facility to define limiting treatment factors and recommend improvements. The preliminary engineering report is nearing completion, and final cost estimates are being prepared for consideration for our 1996 capital budget.

We appreciate your concern and look forward to meeting with you on Friday, October 20 at 10:30 A.M. to further discuss these issues.

Sincerely:
Southern States Utilities, Inc.

Catherine A. Walker, P.E.
Senior Permitting Engineer





STATE OF FLORIDA
DEPARTMENT OF HEALTH AND
REHABILITATIVE SERVICES
District Four

LAWTON CHILES, GOVERNOR

HRS Duval County Public Health Unit

Environmental Health/Engineering Division

900 Building - Suite 300

900 University Boulevard North

Jacksonville, Florida 32211

April 26, 1995



ED AUSTIN, MAYOR

NOTICE OF VIOLATION

CERTIFIED - RETURN RECEIPT # P - 411 - 736 - 821

Rafael A. Terrero, P.E., Manager
Environmental Services
Southern States Utilities, Inc.
1000 Color Place
Apopka, Florida 32703

RE: Non-Compliance Letter
Beacon Hills
PWS ID# 2160064

Dear Mr. Terrero:

It has come to our attention that the Community Public Drinking Water System referenced above is out of compliance with Florida Administrative Code 62-551.800 Part VIII Public Education Requirements concerning the Lead and Copper Rule. The Rule specifically states that a system shall, within 60 days of exceeding the lead action level perform public education as specified in 62-551.810 (1) (2) (a) (b) (c) and (d). Our records indicate that this public water supply is out of compliance with this portion of the rule concerning samples that were taken in October 1994 and received by our office on January 23, 1995.

Failure to submit to our office within ten (10) working days of receipt of this letter for review and consideration for approval all required public education materials required by this rule will place the supplier of water subject to appropriate enforcement in accordance with fines and penalties commiserate with the degree of harm to the public.

If you have any questions or need assistance please call our office at (904) 630-3272.

Sincerely

A handwritten signature in cursive script, appearing to read 'Chris C. Carter'.

Chris C. Carter
Environmental Specialist III
Environmental Engineering Section

cc: Thomas R. Hamilton, P.E.
William R. Nowlin

COBBLESTONE LEAD/COPPER PROGRAM

**PWS SYSTEM: COBBLESTONE WTP
PWS ID#: 2164406
SAMPLING PLAN SUBMITTED: 02/4/93**

FIRST ROUND LEAD COPPER SAMPLES TAKEN:

1. 30 SAMPLES TAKEN: 08/92
2. 10 SAMPLES TAKEN: 12/92
- 40 SAMPLES REQUIRED BASED ON POPULATION

SAMPLE RESULTS: FIRST ROUND

**90TH PERCENTILE:
LEAD: 0.004 (mg/l)
COPPER: 2.2 (mg/l)*
*EXCEEDED ACTION LEVEL**

1. WQP SAMPLES TAKEN: 10/14/92
2. WQP SAMPLES TAKEN: 12/18/92
3. COPPER SOURCE WATER SAMPLE TAKEN: NONE

SECOND ROUND: LEAD/COPPER SAMPLES TAKEN:

1. 30 SAMPLES TAKEN: 06/93
2. 10 SAMPLES TAKEN: 07/93

**LEAD SAMPLE RESULTS:
90TH PERCENTILE: 0.009 (mg/l)**

**COPPER SAMPLE RESULTS:
90TH PERCENTILE: 2.6 (mg/l)**

**COPPER SOURCE WATER SAMPLE TAKEN: 11/93
SAMPLE RESULT: BDL**

BEACON HILLS LEAD/COPPER PROGRAM

**PWS SYSTEM: BEACON HILLS WTP
PWS ID#: 2160064
SAMPLING PLAN SUBMITTED: 02/4/93**

FIRST ROUND LEAD COPPER SAMPLES TAKEN:

1. 35 SAMPLES TAKEN: 08/92
5 SAMPLES TAKEN: 12/92
40 SAMPLES REQUIRED BASED ON POPULATION

SAMPLE RESULTS: FIRST ROUND

**90TH PERCENTILE:
LEAD: 0.014 (mg/l)
COPPER: 0.002 (mg/l)**

1. WQP SAMPLES TAKEN: 10/92
2. WQP SAMPLES TAKEN: 12/92

SECOND ROUND: LEAD/COPPER SAMPLES TAKEN:

1. 27 SAMPLES TAKEN: 06/93
2. 13 SAMPLES TAKEN: 07/93

**LEAD SAMPLE RESULTS:
90TH PERCENTILE: 0.014 (mg/l)**

**COPPER SAMPLE RESULTS:
90TH PERCENTILE: 0.7 (mg/l)**

**SSU REQUESTS REDUCED MONITORING:
11/22/93 (REVISED SAMPLING PLAN SUBMITTED)
APPROVED 11/22/93**

BEACON HILLS LEAD/COPPER REDUCED MONITORING

1. 9 SAMPLES TAKEN: 09/94
2. 11 SAMPLES TAKEN: 10/94

**LEAD SAMPLE RESULTS:
90TH PERCENTILE: 0.019 (mg/l)***

**COPPER SAMPLE RESULTS:
90TH PERCENTILE: 0.21 (mg/l)**

***LEAD EXCEEDED ACTION LEVEL**

DOCKET 950495-WS

EXHIBIT NO. 204



CASE NO. 96-04227

STATE OF FLORIDA
DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES

CERTIFIED Z 309 921 259

October 5, 1995

Southern States Utilities/Deltona
Attn.: Mr. Daniel DeBaca, Chief Operator and
Mr. William M. Schrader, Lead Operator
255 Enterprise Road
Deltona, FL 32725

Southern States Utilities/Deltona
PWS ID NUMBER: 3640287
Volusia County CWS

Dear Mr.'s DeBaca and Schrader,

This letter confirms my visit to the Deltona community public water system on December 29-30, 1994 in the presence of Dan DeBaca-Chief Operator, Bill Schrader-Lead Operator, and Ray Van Loon of HRS for the purpose of conducting a sanitary survey. The completed sanitary survey is enclosed for your reference and records.

Deficiencies were noted during the survey and were also determined from records on file in this office. On page six of the enclosed sanitary survey, deficiencies are listed with reference to the pertinent section of the Florida Administrative Code.

The following is a description of each noted deficiency:

1. There is no working chlorine gas alarm to indicate loss of gas pressure or chlorine residual at the following locations: Plant #3, Plant 5-wells #6 and #27, Plant #8, and Plant #12.
2. There are hole(s) in the wall(s) of the chlorine rooms potentially venting chlorine gas to the pump rooms in the following locations: Plant #1-well #1, Plant #4-well #4, Plant #5-well #6, and Plant #10-well #20, and Plant #11-well #21.
3. The required vents for floor level chlorine room ventilation are missing at the following locations: Plant #28-well #15, Plant #9-well #19, Plant #10-well #20, and Plant #15-well #29.
4. Warning signs with emergency phone numbers are required at each chlorine storage site, and are missing or badly faded at the following locations: Plant #2-well #3, Plant #3-well #25, Plant #5-well #6, Plant #16-well #33, and Plant #28-well #15.
5. There were two unsecured gas chlorine cylinders at Plant #3-well #25, a potential safety/fire hazard.

VOLUSIA COUNTY PUBLIC HEALTH UNIT
P.O. BOX 9190 • 501 S. CLYDE MORRIS BLVD.
DAYTONA BEACH, FL 32120-9190

LAWTON CHILES, GOVERNOR

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS EXHIBIT NO. 204
COMPANY/ FPSC/Faircloth
WITNESS: _____
DATE: 4/23/96

DOCUMENT NUMBER-DATE

02358 FEB 26 1996

FPSC-RECORDS/REPORTING

Page 2
SS94-81

There was not adequate lighting in the chlorine rooms at the following locations: Plant #4-well #4, Plant #10-well #20, Plant #11-well #21, and Plant #14-well #24 because of burned out light bulbs. The light switch at Plant #9-well #19 was broken and should be replaced.

6. There are openings to the following wells that pose potential contamination hazards:
 - Air/vacuum release valve drain openings need screening at wells nos.: 1, 16, 20, 21, 24, and 32 (each of the last three also should be turned down), and nos. 28 and 34.
 - Cover the vents at wells #24 and #25.
 - Cap the blow-off valve on well #1.
 - The air line level check openings need the proper plug seals at wells nos. 16, 22, 28, and 32.

7. The following facility repairs and maintenance are required:
 - Repair the door vent to well room for Plant #15-well #28.
 - Secure/repair or improve the fencing at Plants nos.: 6, 7, 14, and 15, to limit access and keep out potential vandals.
 - Outside Plant #7, remove the heavily-rusted southside liquid petroleum gas tank that is no longer in use.
 - Repair or replace the hinges in the master meter pit at Plant #7.
 - Repair, cover, or remove the exposed electrical wires in the master meter pit at the following locations: Plant #7, the uncovered electrical box near well #12 inside Plant #7, the exposed wires in Plant #16 near well #33 that were used for a chart recorder, the open conduit connector cover at Plant #9-well #19 for the remote reading meter, the exposed wires for the chlorine booster pump at Plant #7-well #12 and the exposed wires at Plant #1-well #2, Plant #12-wells #22 and #32.
 - Window repairs are required at Plant #6-well #27, and Plant #8-wells #15 and #17.
 - Diesel containment structures were flooded leading to extreme corrosion and loss of containment volume at Plant #3-well #28, Plant #11-well #21, Plant #12-well #22, high service pump buildings at Plant #8 and Plant #12, Plant #13-well #23, and Plant #15-well #28.

8. Plant #7 is in need of interior cleaning to improve safety.

9. Tank, piping and equipment repairs are required at the following locations:
 - At Plant #7 the ground storage tank air vent had missing screening, resulting in numerous small insects floating in the tank. Please furnish a ground storage tank cleaning schedule. The Department recommends that the air vents on the ground storage tanks be checked periodically for screening.
 - The larger high service pump in Plant #12 has a leaking knife valve.
 - The sanitary seal of Plant #1-well #2 is damaged and should be replaced or repaired.
 - Plant #7-well #14 has a leaking air and vacuum release valve, and a meter that is difficult to read.

Page 3
SS94-81

- There is a leaking line to the chlorine booster pump at Plant #3-well #25 and extreme corrosion on the small pipe before the check valve.
 - Safety cages around connected linkages of manual auxiliary generators were not installed at all locations. This could be a serious safety problem under operating conditions.
 - There is a muffler from an auxiliary generator venting its exhaust directly into a chlorination outdoor facility area; a potential safety/fire problem at Plant #7.
10. The auxiliary generators are not being run a minimum of four continuous hours per month under load.
 11. There is no written auxiliary power plan in our records. Please provide this Department with one, and an assessment of the adequacy of current emergency power equipment by a professional engineer.
 12. There are cross connections which need immediate correction:
 - Air/vacuum release valve and bearing packing combined drain piping for the vertical turbines for wells #33 and #35. An air gap of two pipe diameters is required between the pipe outlet and the ground.
 - Threaded raw sampling taps and/or hose bibbs without vacuum breakers at wells nos. 2, 6, 16, 19, 21, 22, 24, 28, Plant #8 high service pump #2, and at the eyewash station at the chlorine facility for Plant #12.
 - Remove the fire hose connected to Plant 12.
 13. There is no written valve maintenance program. Please provide this Department with one, and give data on who will be responsible and how many full-time people are assigned to carry it out.
 14. There is no record of a fire hydrant maintenance program in our files. Please provide the Department with one and give data on how many full-time equivalent people are or have been assigned to it. This may be combined with the valve maintenance program.
 15. There is no written backflow preventer testing program in our records. Please provide one and include data on: how many full-time equivalent people are assigned to it, who is responsible, how records are maintained, and an inventory by number and type.
 16. There were areas of the distribution system found to be less than 0.2 mg/l free available chlorine. A series of complaints in the records also indicates that this is a recurring problem. Develop a specific verifiable written program of flushing and residual maintenance to ensure compliance with the rules and forward a copy to this Department.
 17. There is an iron level of 1.2 mg/l in well #25, which is in excess of the 1.0 mg/l level acceptably treatable by phosphate sequestration. Please inform this Department as to the approximate time table for completion of the permitted modifications designed to correct this problem.

Page 4
SS94-81

Furthermore, please inform the Department of any updates to the cross connection control program, and who is assigned the responsibility of ensuring that it is carried out.

You are required to correct the above deficiencies for the subject system and to provide a written statement to this Department no later than December 5, 1995 certifying that all listed deficiencies have been corrected, or listing specific reasonable dates for completion. If any items need further explanation, please contact this Department immediately.

Please provide the information, where available, for items marked unknown ("unk") on the sanitary survey report. When such unknown information is not readily available, please note this as "NA".

The following reference materials: Chapters 62-550, 62-551, 62-555, 62-560, and 62-699 of the Florida Administrative Codes, (FAC), are available for a fee upon telephone request to Mrs. Kristine Sheets at (904) 947-3436.

If you have any questions concerning this letter, please feel free to contact this writer at (904) 947-3421.

Sincerely,

Mark A. Halverstadt
Environmental Specialist II
Environmental Health Engineering

MAH/mah
Enclosures

cc: L. Faircloth
R. Van Loon
PWS File (ss94-81.doc)

DOCKET 950495-1W5
EXHIBIT NO. 206
CASE NO. 96-04227

EXHIBIT (CHK-6)
PAGE 1 **OF** 4

WATER CONSERVATION AND WATER UTILITY PROGRAMS

A White Paper From the American Water Works Association

Approved June 28, 1995
To Be Published in *AWWA MainStream*

The American Water Works Association (AWWA) is an international nonprofit scientific and educational society dedicated to the improvement of drinking water quality and supply. Founded in 1881, AWWA is the largest organization of water supply professionals in the world. Its more than 50,000 members represent the full spectrum of the drinking water community—treatment plant operators and managers, environmentalists, scientists, manufacturers, academicians, regulators, and others who hold genuine interest in water supply and public health. Membership includes more than 3,700 utilities that supply water to roughly 170 million people in the United States.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET 950495 **EXHIBIT NO.** 206
NO. SSW **COMPANY/** Kowalsky
WITNESS: 7/27/96
DATE: 7/27/96

DOCUMENT NUMBER-DATE
03399 MAR 21 88
FPSC-RECORDS/REPORTING

WATER CONSERVATION AND WATER UTILITY PROGRAMS

A White Paper From the American Water Works Association

(Approved June 28, 1995)

Water conservation can be defined as practices, techniques, and technologies that improve the efficiency of water use. Increased efficiency expands the use of the water resource, freeing up water supplies for other uses, such as population growth, new industry, and environmental conservation.

Water conservation is often equated with temporary restrictions on customer water use. Although water restrictions can be a useful emergency tool for drought management or service disruptions, water conservation programs emphasize lasting day-to-day improvements in water use efficiency.

The Role of Water Conservation

Community water supply management requires balancing the development of adequate water supplies with the needs of the utility's customers. Traditionally, water utilities have focused primarily on developing additional supplies to satisfy increasing demands associated with population growth and economic development. Increasingly, however, water utilities throughout the United States are recognizing that water conservation programs can reduce current and future water demands to the benefit of the customer, the utility, and the environment.

The increasing efforts in water conservation, often called demand-side management, are spurred by a number of factors: growing competition for limited supplies, increasing costs and difficulties in developing new supplies, optimization of existing facilities, delay or reduction of capital investments in capacity expansion, and growing public support for the conservation of limited natural resources and adequate water supplies to preserve environmental integrity.

The focus of any supply strategy is to satisfy customer water needs in the most cost-effective and efficient manner, minimizing any adverse environmental impact and preserving the quality of life. Although conservation is sometimes an alternative to developing additional supplies, it is more often one of several complementary supply strategies for a utility. A conservation strategy, like any supply strategy, is part of a utility's overall planning and part of the integrated resource planning to ensure that all important community objectives and environmental goals are considered.

Water conservation in the broad sense is a key element in the day-to-day management of the modern water utility. Sound management includes the following basic water conservation practices:

- reduction of unaccounted-for water through universal metering and accounting of water use, routine meter testing and repair, and distribution system leak detection and repair;
- cost-of-service - based water rates; and
- public information and education programs to promote water conservation and to assist residential and commercial customers with conservation practices.

Beyond these fundamental conservation practices, effective water conservation programs are tailored to the needs and priorities of each community and recognize local and regional water demand characteristics and water supply availability.

Water Savings and Reliability

Conserved water can be considered a reliable water source. Great strides have been made over the past decade in evaluating and documenting the effectiveness of various conservation programs. Today there is a body of knowledge on water conservation, gained from the experiences of utilities, that provides a relatively high degree of confidence in the reliability and predictability of various water conservation measures. Some water planners feel, however, that the predictability and permanence of conservation measures have not been proven to the same degree as traditional supply measures.

The reliability of conserved water depends on accurate estimates of potential savings, expected benefits, and costs. Careful analysis and planning is a prerequisite to major utility investments in conservation programs. Reliability concerns also underscore the ongoing need for utilities to monitor and document the effectiveness of their conservation programs, just as they do water supplies and facilities.

Long-term conservation programs can affect short-term demand management practices. Reductions in water demands from long-term conservation programs and reductions from short-term demand management measures can overlap. Customers who have installed retrofit devices under long-term conservation programs may have less ability or willingness to further conserve.

In the event of water shortages, agencies with broad-based water conservation programs are able to mitigate short-term and long-term effects better than those without a conservation program.

Financial Aspects of Conservation

Conservation programs typically involve up-front costs, including revenue losses. The full benefits of conservation are realized only after all savings have materialized. However, reduced water sales because of conservation often develop slowly in small increments that can be accommodated in periodic rate adjustments.

Over the long-term, conservation can decrease a utility's need for new capital facilities for supply acquisition, treatment, storage, pumping, and distribution. It may also reduce the costs of operating those facilities. Deferring investment in such facilities or reducing their size can provide significant cost savings. In areas experiencing population growth, conservation can provide additional capacity to accommodate growth, resulting in a larger customer base over which to spread future capital costs. Water rates may be lower with conservation than without.

Water conservation can affect wastewater collection and treatment systems. Reduced hydraulic loadings can improve treatment performance in terms of effluent quality and reduced operating costs. Reducing wastewater flows through conservation can result in cost savings by deferring the need to enlarge wastewater treatment facilities.

Rates. The first goal of any rate structure is to generate sufficient revenues to maintain efficient and reliable utility operations, and the second is fairness in the allocation of utility service costs. Generally, it is possible to satisfy both of these goals in a rate structure that encourages water conservation or penalizes excessive water use.

Conservation-oriented water rate structures by themselves do not constitute an effective water conservation program. Rate structures work best as a conservation tool when coupled with a sustained customer education program. Customer education is important to establish and maintain the link between customer behaviors and their water bill. Utility customers require practical information about water-conserving practices and technologies. Participation in other water conservation programs, such as plumbing-fixture retrofit and replacement programs, can also be enhanced by rate incentives and customer education. Finally, public acceptance of rate structure changes is often enhanced if customers understand the need for and benefits of water conservation.

DOCKET 950495-WS
EXHIBIT NO. 207
CASE NO. 96-04227

207

SOUTHERN STATES UTILITES, INC.

DOCKET NO. 950495-WS

CITIZENS' EXHIBIT _____

KOWALSKY DOCUMENTS NO. 1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 950495 EXHIBIT NO. 207
COMPANY/
WITNESS:
DATE: 4/29/96

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY: OPC
SET NO: 22
INTERROGATORY NO: 359
ISSUE DATE: 03/29/96
WITNESS: Undetermined
RESPONDENT: Carlyn Harper Kowalsky

INTERROGATORY NO: 359

For purposes of this request, please refer to the rebuttal testimony of Mr. Farrell, page 13. Please provide the BFC and gallonage charge for water use for the City of Tampa and Hillsborough County for residential and commercial customers.

RESPONSE: 359

Attached as Appendix 359-A is a copy of the water charges for the City of Tampa. Attached as Appendix 359-B is a copy of the water charges for Hillsborough County.



CITY OF TAMPA

Dick A. Greco, Mayor

Revenue and Finance Department

Utility Accounting Division

MEMO:

Date:
 To: Whom It May Concern
 From: Utility Accounting Div.
 Subject: Rate Chart

	Inside City	Outside City
Water Per 100 cu.ft. Rate Effective Oct. 1993	\$.90	\$ 1.12
Surcharge Rate	.56	.70
Sewer Disposal Rate Per 100 cu.ft. of water used	1.88	2.089
New Rate eff. Oct. 1994	2.28	2.533
Garbage Service Residential Monthly Rate Rate Effective Oct. 1995	17.00	
Garbage Service Elderly Rate Customers 65yrs and older Not over 2 Residents Limited to 1 can pick-up Rate Effective Oct. 1995	15.10	
TAX BASED ON WATER ONLY 10%		

(2)



CITY OF TAMPA

Dick A. Greco, Mayor

Revenue and Finance Department

Utility Accounting Division

MEMO:

Date:

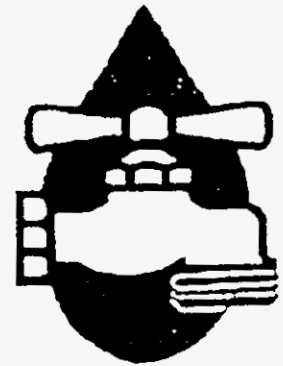
To: WHOM IT MAY CONCERN

From: UTILITY ACCOUNTING DIV.

Subject: DEPOSIT CHARGES

DEPOSIT CHARGES 10-88

METER SIZES	AMT. WATER	AMT. SEWER
5/8	30.00	30.00
1"	40.00	40.00
1 1/2"	70.00	70.00
2"	100.00	100.00
3"	200.00	200.00
4"	300.00	300.00
6"	600.00	600.00
8"	1000.00	1000.00



OLD CITY HALL • TAMPA, FLORIDA 33602 • 813 274-8811

3

WHERE TO PAY YOUR BILL

You may pay your water and wastewater bills at our office located at 925 East Twiggs St. in downtown Tampa, or mail to:

Public Utilities Department
P.O. Box 30702
Tampa, FL 33601-3702

Make check payable to:
Board of County Commissioners (BOCC)

A one-month current bill may also be paid at these locations:

Apollo Beach
USA Postal Center #54
6418 U.S. 41 North

Brandon
Mail Boxes, Etc.
1971 W. Lumsden

Sun City Center
Sun City Center Laundry
912 Pebble Beach Blvd.

Tampa
Mail & More #1
13014 N. Dale Mabry

Mail Boxes, Etc
11266 W. Hillsborough Ave.

Mail & More #2
3837 Northdale Blvd.

**HILLSBOROUGH
COUNTY**



Public Utilities
Department

APR 10 1996
-CALIF-

**Schedule of Rates
October 1, 1994**

OFFICE HOURS

7:30 a.m. until 5 p.m.
Monday through Friday

Utility Bills Can Be Paid
Mon. - Thurs.: 7:30 a.m. to 5 p.m.
Friday: 7 a.m. to 5 p.m.

UTILITY BILL INFORMATION

8:00 a.m. to 5:00 p.m.

Customer Assistance..... 272-6680
Billing questions
Opening and closing accounts
High consumption
Water conservation program info

Credit and Collection 272-5977

GENERAL INFORMATION

Emergency After-Hours 744-5600
(5:00 p.m. - 11:00 p.m.)
Fact Finder 272-6500

8000 GAL
#2.
\$16.00

RATE SCHEDULE FOR WATER

WATER SERVICE

Meter Size	Monthly Base Charge
5/8 x 3/4 inch	\$ 3.50
1 inch	\$ 8.75
1 1/2 inch	\$ 17.50
2 inch	\$ 28.00
3 inch	\$ 56.00
4 inch	\$ 87.50
6 inch	\$ 175.00
8 inch	\$ 280.00
Customer Service Charge	\$ 3.00 Each Bill

BFL
\$ 3.50

WATER RATES

The Southwest Florida Water Management District, which is responsible for preserving and protecting the water and water-related resources of the region, has mandated Water Use Caution Area rules for this area. These rules require that all water utilities adopt a water conservation rate structure by January 1, 1993. The approved County conservation block rates for all residential users are:

*including
sewer*

SINGLE FAMILY RESIDENTIAL RATE

Block	Consumption in Gallons	Monthly User Charge Per 1,000 Gallons
1	0-8,000	\$ 2.00
2	8,001-15,000	\$ 2.10
3	15,001-30,000	\$ 3.15
4	30,001-50,000	\$ 3.68
5	50,001-or more	\$ 4.20

PLEASE CONSERVE WATER

County Ordinance 91-27 prohibits irrigation between 9 a.m. and 5 p.m., year-round. Addresses ending in an even number or the letters A through M, may water only on Tuesdays and/or Saturdays. Addresses ending in an odd number or the letters N through Z, and locations with no address, may water only on Wednesdays and/or Sundays.

WATER IS LIFE.....DON'T WASTE IT.

GENERAL CLASS RATE

Block	Potable Water Usage (Gals)	Conservation Rate (Per 1,000 Gals)
1	0-12 mo. avg. usage	\$ 2.10
2	Avg. -100% over avg.	\$ 3.15
3	Next 133% of usage	\$ 3.68
4	All additional usage	\$ 4.20

USE WATER WISELY

5

AND WASTEWATER SERVICE

WASTEWATER SERVICE

Meter Size	Monthly Base Charge
5/8 x 3/4 inch	\$ 5.50
1 inch	\$ 13.75
1 1/2 inch	\$ 27.50
2 inch	\$ 44.00
3 inch	\$ 88.00
4 inch	\$137.50
6 inch	\$275.00
8 inch	\$440.00

WASTEWATER RATES

Usage Charge \$ 5.25
per 1,000 gallons

Residential water/wastewater accounts have charges capped at 8,000 gallons over a one month period.

Residential wastewater only accounts are capped at 16,000 gallons over a two-month period.

Commercial, industrial or multi-family residential accounts have no wastewater cap.

JUST ENOUGH NOT TOO MUCH

DEPOSITS

Deposit amounts vary by property. Customer deposits and service charges are due and assessed on the date service starts. Payment of deposit and service charges and the signed application for service must be received within 14 days to avoid delinquency, collection charges, or service interruption. Deposits plus earned interest are applied to final bills when services are terminated.

Failure to promptly pay bill may result in a deposit increase up to three times the average monthly bill.

The County will accept a letter of credit reference from a former utility provider in lieu of a cash deposit on residential accounts.

The County will accept a Surety Bond or a Letter of Credit in lieu of a cash deposit for commercial accounts with meters 2 inches or larger.

Customers who have established two years of service and have paid bills consecutively on time for 13 months, may have their deposit plus earned interest automatically credited to their account.

*DO THE EARTH A FAVOR
BE A WATER SAVER*



SPECIAL SERVICE CHARGES

Emergency turn off/on	\$30
Trip charge for illegal consumption	\$15
Read/turn-on for establishing or transfer of account	\$25
Restoration of service	\$15
Reinstall meter	
5/8 inch through 1 inch	\$50
Larger than 1 inch	Actual Cost
Not sufficient funds check	\$20 or 5%
of check amount, whichever is greater	
Delinquent collection fee and/or trip charge for each attempt	\$10.00
Document recording costs	Actual Cost
Documentary stamps	Actual Cost
Re-read meter due to customer obstruction	\$10.00
Check meter reading by request of customer	\$20.00
Water volume test	\$25.00
Bench test meter	
5/8 inch through 1 inch by request of customer	\$40
Test meter, larger than 1 inch by request of customer	Actual Cost
Interrupt wastewater service for non-payment	Actual Cost
Restore wastewater service	\$15
Special handling	\$30
Service charges increase by 50% for services between 5 p.m. and 8 a.m. on normal working days (Monday through Friday) and for all holidays and weekends.	

DISHONORED CHECKS

Checks dishonored by your bank will be collected immediately or your service will be interrupted. Money order or certified funds will be required for your future payments.

WATER SAVING TIPS

- Avoid leaving the water running when shaving or brushing teeth. You can SAVE up to 10 gallons each time.
- When using the bathtub--fill it only 1/4 full instead of all the way.
- Keep the length of showers to 5 minutes -- a 5-minute shower uses up to 35 gallons.
- When washing dishes, don't let the tap water run freely. Fill the sink 1/2 full for washing and rinsing.
- Repair leaks as soon as possible. A leaking toilet can silently waste 100 gallons each day.
- Periodically inspect irrigation systems, water softeners, and all other water-using fixtures and appliances to maintain their safe, efficient use.
- Promote water conservation awareness among all water users.
- Replace old, high volume fixtures with new low volume type. Take advantage of rebate programs available from the County by calling 272-6680.

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY: OPC
SET NO: 11
INTERROGATORY NO: 274
ISSUE DATE: 10/16/95
WITNESS: Carlyn Harper Kowalsky
RESPONDENT: Carlyn Harper Kowalsky

INTERROGATORY NO: 274

If a comparison between the Company's request to spend in excess of \$500,000 for conservation related advertising, on the one hand, with a mere change in rate design on the other, was made, please provide the result and basis of any conclusion reached.

RESPONSE: 274

SSU has not made a comparison between the projected water savings that could result from the enhanced conservation program and the water savings that could be achieved from any particular rate design.

The total cost of \$524,425 for the 1996 enhanced conservation program is not just for conservation related advertising. The proposed program encompasses: the statewide public education program, the Marco Island Pilot Project, as well as the Conservation Plan for Targeted Communities.

Each of the three aforementioned plans has separate components. Costs for the statewide public education program include: (1) customer publications; (2) a speakers bureau; (3) public information events; (4) informational videos; (5) conservation literature; (6) media information; and (7) youth education which includes a music video, the Small Change Original Theater, conservation materials, a school-oriented speakers bureau, and special youth programs. Costs for the Marco Island Pilot Project include: (1) public education which includes public workshops, mailers, advertising and promotion, special events and sponsorships, and outside services; (2) a \$100 toilet rebate program; (3) a \$50 irrigation shutoff device rebate; (4) surveys of the control group; and (5) residential water audits. Costs for the Conservation Plan for Targeted Communities include: (1) public education which includes public workshops, mailers, special mailings, advertising and promotion, and special events and sponsorships; (2) a free retrofit kit offer for up to 50 percent of the customers in each community; (3) a \$100 rebate for low-flow toilets and a \$50 rebate for irrigation shutoff devices will be given in the form of a water bill credit to the first 10 percent of the customers in each community requesting them; and (4) a survey of 5 percent of the customers in each community which will assess the effectiveness of the program.

(8)

Cost-Benefit Analysis of Conservation Programs

Peter P. Macy and William O. Maddaus

A carefully planned and implemented conservation program can reduce water consumption by 10-30 percent. This reduction will help meet demand, may postpone the construction of capital facilities, and can also help alleviate problems such as overburdened wastewater treatment facilities. For a conservation program to gain acceptance and support, it must be thoroughly analyzed. This article describes a technique to calculate the water savings, benefits, and costs of water conservation programs.

Water conservation programs can extend supplies, reduce energy consumption, compensate for system inadequacies, decrease wastewater flows, and alleviate the demands of rapid population growth.

An effective conservation program requires a plan that sets forth the policies, facts, figures, expected results, and recommendations that will lead to program implementation. Figure 1 outlines the steps needed for such a program. This article focuses on the fourth stage—formulating and evaluating conservation programs.

Need for a cost-benefit analysis

An effective way to evaluate alternative conservation programs is with a complete cost-benefit analysis. Such an analysis, which involves looking at all potential water savings, yields an understanding of total program costs and associated benefits. By studying water use and water reduction that could be obtained through conservation, a water utility can project the need for future capital facilities and plan accordingly. These and other results of the analysis provide a utility wanting to implement a conservation program the numbers needed to justify the program to those who must support it. A thorough cost-benefit analysis also requires detailed descriptions of the individual measures that make up the program, which should ease implementation.

Procedure to compute benefits and costs

The evaluation of water conservation measures requires extensive calculations of water savings, benefits, and costs. The most expedient way to accomplish this is to use a personal computer with spreadsheet software. Once an analysis format has been set up on a spreadsheet, it is relatively easy to make modifications that will accommodate different sets of parameters.

The steps involved in formulating and evaluating a water conservation program can be separated into four tasks (Figure 2): (1) compiling a list of conservation measures, (2) developing a locale-specific data base on water use and demographics



Household water-use rates can be determined simply by capturing water in measured containers during a specific period of time. Shown in the above photograph is a method for calculating the flow rate of a residential showerhead. A method for controlling the amount of water used to irrigate lawns and gardens is depicted below.



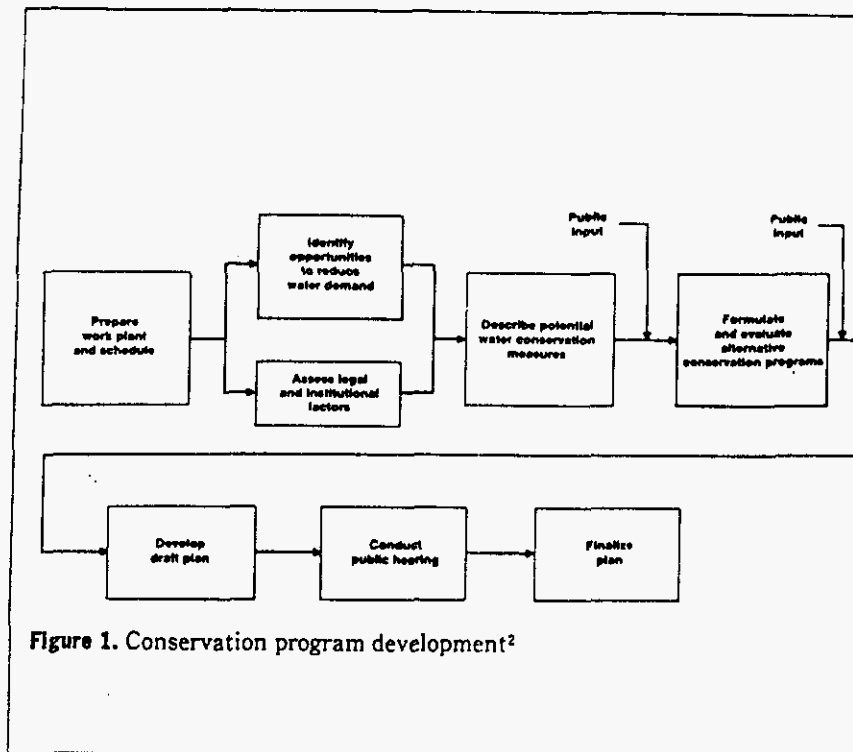


Figure 1. Conservation program development²

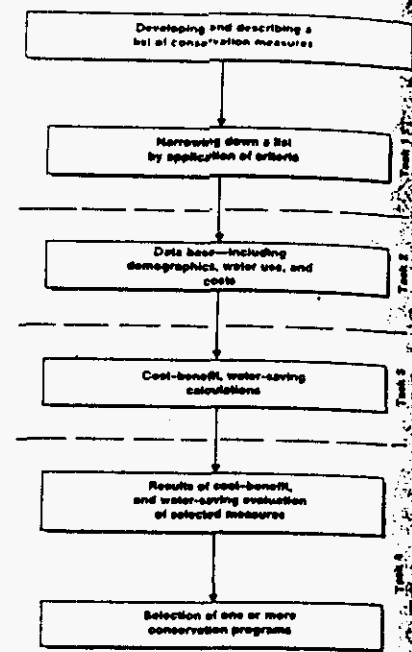


Figure 2. Cost-benefit procedures

and a measure data base that will be necessary for later calculations, (3) performing the cost-benefit calculations for each measure and (4) selecting measures for the total conservation program.

Compiling conservation measures for evaluation. Most of the measures will come from conservation handbooks, the results of previously run conservation programs (using similar devices), or the US Department of Housing and Urban Development's study of residential water conservation.¹

A matrix should be set up to evaluate each measure against such criteria as expense and effectiveness. This step will eliminate from further consideration

those conservation measures that are obviously inappropriate, such as a costly and impractical oil-flushed toilet. Table 1 shows a criteria matrix in which retrofit devices and water audits seem to be appropriate conservation measures because each scored favorably.

Developing a locale-specific data base. At this point, the criteria matrix has helped identify measures to be further evaluated in the cost-benefit analysis. The next task is to develop a locale-specific data base that includes water use, demographics, and water and wastewater costs for the particular geographic area being studied.

Water use. Water use is determined

for residential and nonresidential customer class categories. The residential water-use categories are single family and multifamily. The nonresidential categories are commercial, industrial, public, and other. The data are normally in the form of total yearly water use by customer class. Inside and outside components of water use are determined by comparing winter and summer meter readings.

Demographic data. In the calculation of total water savings, figures for population and for either the total number of employees or the total amount of non-residential acreage per customer class are essential. These data can be obtained from various sources, such as a city planning department or a water utility's customer class listing. Determining the population sometimes requires indirect information. Often, only the number of single-family and multifamily residences and the average household size are available, which means that household size in each customer class category must be estimated.

Water and wastewater costs. The utility's costs of supplying and treating water (variable costs) and its future costs of ensuring that supply meets demand (capital costs) should be included in the data base. When water use is reduced through conservation, these costs are considered savings. Overhead or fixed costs are not included because they will be incurred whether or not water is saved. Customer water, sewer, and energy costs (variable costs) will also be needed for use in later cost-benefit calculations.

TABLE 1
Criteria matrix

Conservation Measure	No Significant Attitude Change Required	Political Acceptance	Expected Unit Water Savings	Feasibility	Reliability
Retrofit devices	Favorable	Favorable	Favorable	Favorable	Favorable
Advanced plumbing code	Unfavorable	Unfavorable	Favorable	Unfavorable	Favorable
Water audits	Favorable	Favorable	Favorable	Favorable	Favorable

TABLE 2
Proposed program benefits and costs

Measure	Water Savings mgd	Benefits and Costs Ratio	
		Customer	City
Showerhead promotions	0.16	35.20	8.02
Multifamily water audits	0.19	9.54	20.42
Toilet leak repair	0.32	10.86	4.54

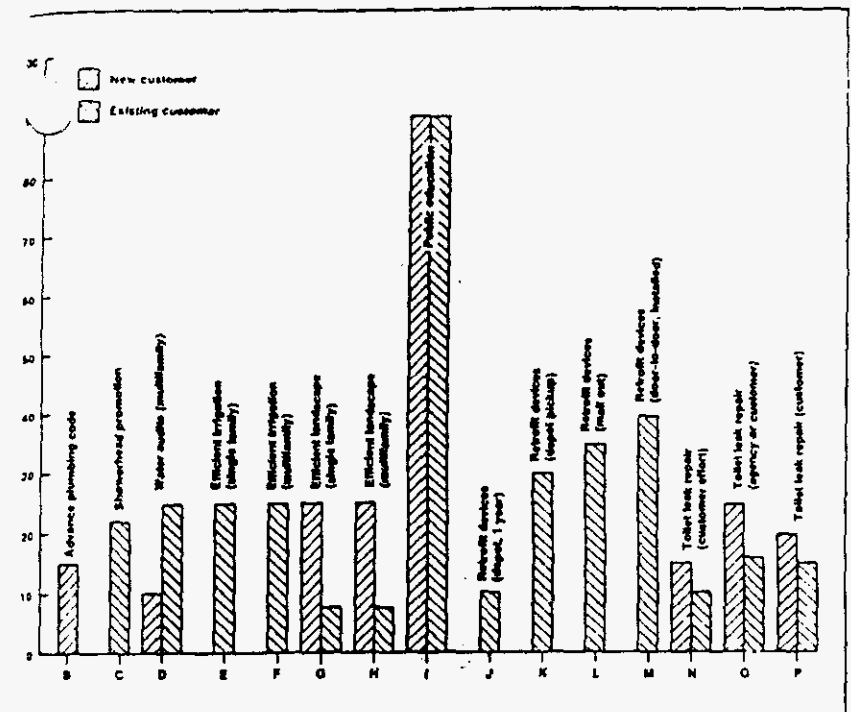


Figure 3. Potential market penetration

Developing a measures data base. In addition to establishing a representative data base consisting of water use, demographics, and water and wastewater characteristics, it is equally important to define characteristics and assumed effectiveness of each conservation measure. This information is more generic and, as described, can be applied to various agencies with only minor adjustments. The measures data base should include the following kinds of information for each measure:

- description and implementation schedule;
- potential market penetration, i.e., where and how much (Figure 3 shows an example of market penetration for various measures);
- year of implementation and expected year of expiration;*
 - amount of interior and exterior water saved on a per-person or other suitable basis (Figure 4 lists sample water savings for various measures);
 - amount of energy saved; and
 - customer costs to implement the measure.

Describing the measure. The description of each measure should include its implementation schedule, goals, and the means to achieve the goals. This detailed description is the basis for determining other key characteristics of each measure, such as water and energy saved, costs of implementation, and market penetration.

Developing the market penetration. It is assumed that only a portion of a given population will install and use a particular conservation measure. Rea-

sons for not reaching an entire population include:

- lack of belief in the need to conserve,
- lack of interest in the particular measure,
- measure not cost-effective for the customer,
- current use of the same or a similar

measure (i.e., installation has already occurred).

- measure not applicable to certain customers, and
- enforcement difficulty.

The potential market for a particular measure is determined from past experience and from documented market penetration of previously implemented conservation projects. To determine market penetration of a new measure, for cases in which no previous knowledge is available, estimates can be based on penetration values from similar measures that have been implemented.

Identifying unit water savings. Exterior and interior water savings for any of the conservation devices included in a conservation measure are commonly expressed in gallons per capita per day. The typical savings generated by such devices are available elsewhere.¹²

Water savings will sometimes be directly related to reductions in energy, labor, and other expenditures. For example, a reduction in hot water used in the shower from a low-flow showerhead will mean significant reductions in energy required to heat water. The savings of all the devices in the measure are added together, giving total savings for the measure.

*The year of implementation refers to when the measure is first applied. In most cases, the implementation year is the same as the current year. The year of expiration is important in amortizing costs and is equivalent, in economic terms, to "useful life." Simply stated, it establishes how long the measure or device will perform before it must be replaced or how long the original purchase will be expected to last.

TABLE 3
Water conservation projects

Agency	Purpose of Cost-Benefit Analysis
Arizona Department of Water Resources	To set water conservation goals for water providers to meet in the 1990-2000 time period to comply with the Arizona Groundwater Management Act
Metropolitan Water District of Southern California	To develop a water conservation program for the district to undertake with its member agencies; identified pilot projects to test water conservation methods in district service area (10,000,000 population) and developed budget, staffing, and action plan for district
South Florida Water Management District	To evaluate water conservation programs for typical cities in the South Florida area
City of Folsom, Calif.	To prepare an urban water management plan to comply with Assembly Bill 797; evaluated water conservation program and recommended long-range program
Citizens Utilities Company of California	To prepare an urban water management plan for the Sacramento and Guernville service areas; determined how the plan would affect the company's rate hearings before Public Utilities Commission
City of Antioch, Calif.	To develop a comprehensive water conservation program; recommended additional expenditure of \$72,000 per year to reduce water demands 13 percent by year 2005
City of Martinez, Calif.	To prepare an urban water management plan; recommended a cost-effective program, budgeted at \$42,000 per year, directed at the residential sector, and expected to reduce demands 11 percent over 20 years
Alameda County (Calif.) Water District	To prepare the water conservation chapter of the district's urban water management plan
City of Austin, Texas	To develop a long-range water management plan
East Bay (Calif.) Municipal Utility District	Prepared cost-benefit analysis used in urban water management plan; two years later evaluated how much water conservation would be needed to reduce or delay capital improvement projects

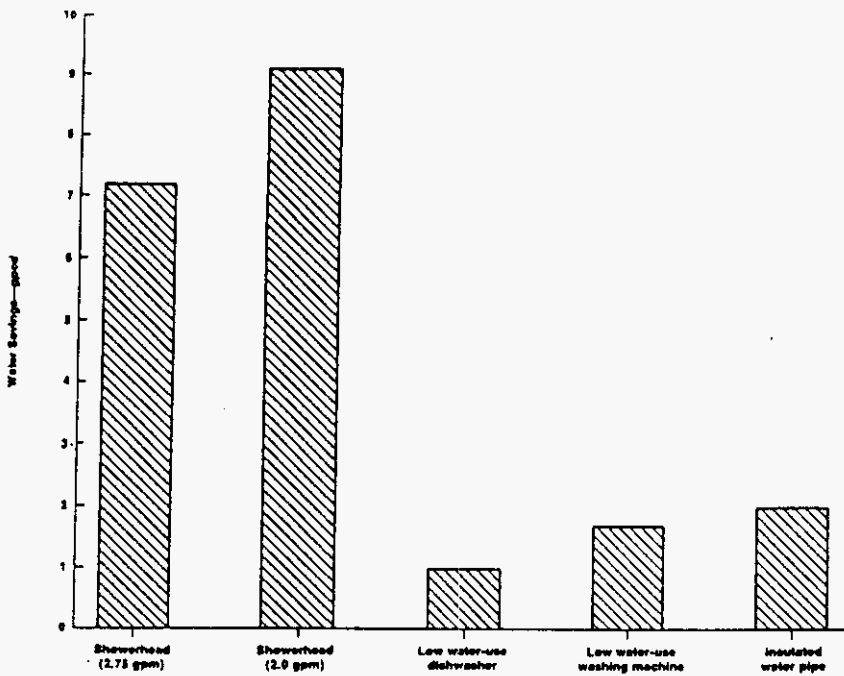


Figure 4. Unit water savings



Adding a dye tablet to a toilet tank shows whether the tank leaks. It is estimated that 20 percent of toilet tanks leak.

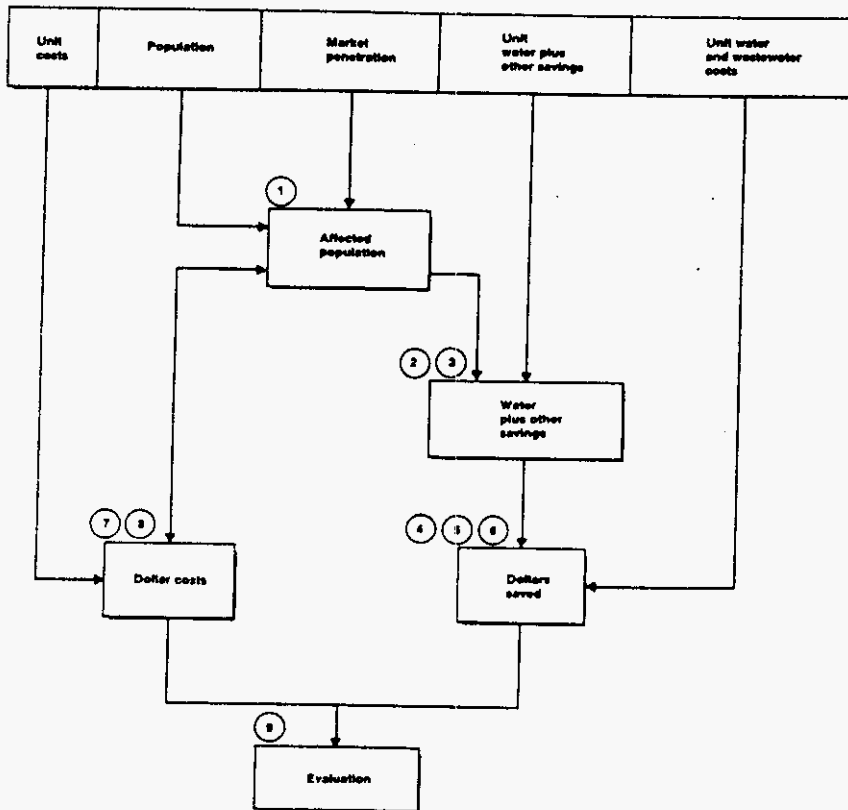


Figure 5. Cost-benefit analyses flow chart

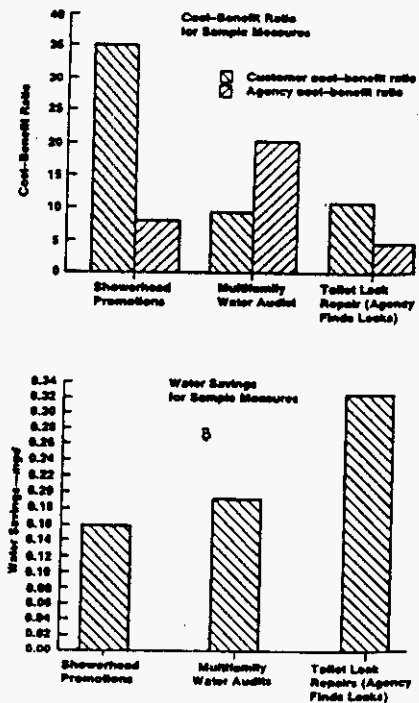


Figure 6. Sample evaluation criteria

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12



Performing cost-benefit calculations.

Once each data base has been established and verified, the cost-benefit analyses are performed. The following steps are essential in calculating water savings, benefits, and costs of a conservation program. Figure 5 helps illustrate the sequence of calculations.

1. Multiply the total service area population by the measure's market penetration. This calculation gives an estimate of how many people will be affected by this measure. Example—10,000 population \times 50 percent penetration = 5,000 affected population.

2. Multiply the affected population by the measure's unit water savings to determine total water savings per measure. Example—5,000 \times 5 gpcd = 25,000 gpd.

3. Multiply the affected population by any other savings, such as energy, to determine total other savings per measure.

4. If the measure saves exterior water, multiply the total water saved by the cost of water to determine total dollar savings. Use the variable component of the retail cost for the customer and the marginal costs of water for the utility.

5. If the measure saves interior water, multiply the total water saved by the sum costs of water and wastewater.

6. Multiply total other savings (e.g., energy) by their unit costs (e.g., $\$/kW \cdot h$) to come up with total dollar savings. At this point, all the benefits have been calculated.

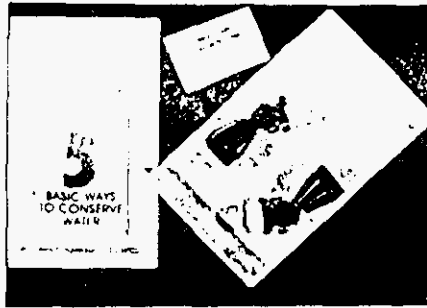
7. To determine the annual costs to the customers as a whole, multiply the affected population size by the annualized costs to the individual customer. Annualized costs are calculated by multiplying current individual costs times the capital recovery factor, found in standard compound interest tables.)

8. The costs to the utility are the equivalent, uniform annualized costs determined in the section on developing the measures data base.

9. All costs and benefits data, including water savings, should be combined into one table for evaluation, as shown in Table 2 and Figure 6.

Selecting a conservation program. Other factors besides water reduction and monetary impact can affect the community as a result of conservation programs. A look at the environmental, social-political, and consumer relations aspects of the various conservation measures is recommended. Those aspects considered relevant can be included in the evaluation. After the benefits and costs of each measure have been evaluated, the measures appropriate for a specific conservation program can be selected.

The measures can be grouped into three programs of varying intensity: (1) a minimum program with low water



Distributing retrofit kits can encourage homeowners to use less water.

savings but high cost-benefit ratios; (2) a moderate program, with average water savings and a cost-benefit ratio near 1; and (3) a maximum program with above-average water savings and possibly a cost-benefit ratio less than 1.

Typical savings can be about 5 percent for a minimum program, 10 percent for a moderate program, and 15 percent or more for a maximum program. Of course, the savings are completely dependent on the type and number of conservation measures in each program. The development of three programs allows a community or water utility to choose its level of conservation aggressiveness.

Once the programs have been developed, each should be examined in its entirety. This is the point at which to make adjustments, usually in the form of rewriting the conservation measure descriptions. For instance, a description may be rewritten to say that more effort will be put into a particular measure, such as increasing staffing to implement the measure. Though the extra effort will increase costs, it will also increase market penetration and thus water savings.

When all the changes have been made, the water savings, benefits, and costs must be recalculated. This process should be continued until the desired program has been achieved and accepted. The iterative process is fast and simple if all the cost-benefit and water-savings calculations have been set up on a computer.

Experience with cost-benefit analyses

The cost-benefit analysis not only enables water utility managers to understand the benefits, costs, and water savings of a conservation program; it also gives them the information needed to justify the program to a board of directors and the details on how a program should be implemented. This computerized cost-benefit approach has been used by many utilities and agencies (Table 3).

Conclusions and recommendations

A rigorous cost-benefit analysis of water conservation programs has several advantages:

- It provides the data needed to plan for future growth.

- It supports the budgets that are required to implement less conservation programs.

- It gives the utility staff and its board of directors a basis for implementing the programs needed to achieve the projected water savings.

- It proves to the public that the water utility has thoroughly investigated water conservation options before approving new capital projects to accommodate new growth.

Performing a cost-benefit analysis is not difficult. It simply requires the application of engineering and economic principles to the facts and numbers relating to water conservation. The following recommendations are offered to those undertaking the development of a new water conservation program:

- Agree on the list of water conservation measures to be screened for detailed analysis.

- Agree on the evaluation criteria.

- Develop a sound methodology to compute water savings, benefits and costs.

- Determine what to use as the basis for the estimated benefits.

- Use a commercially available computer software spreadsheet program to evaluate benefits and costs.

- Consider the evaluation process to be iterative until all interested parties are satisfied that water conservation measures have been thoroughly investigated.

- Develop a format for presenting the final program that is suitable for lay people to understand.

References

1. Residential Water Conservation Projects Summary Rept. US Department of Housing and Urban Development, Office of Policy Devel. and Res. (June 1984).
2. MADDAUS, W.O. *Water Conservation*. American Water Works Association, Denver, Colo. (1986).



About the authors:
Peter P. Macy is an associate engineer with Brown & Caldwell Consulting Engineers.

7535 E. Hampden Ave., Suite 403, Denver, CO 80231.

A graduate of Syracuse University, N.Y., with a BS degree, Macy is a member of AWWA, ASCE, and APWA. He has been active in both water and energy conservation for the past six years, has lectured extensively on water conservation, and designed a computer spreadsheet program to calculate the benefits and costs of water conservation.

William O. Maddaus is a managing engineer in Brown & Caldwell's Walnut Creek Calif., office.



SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY: OPC
SET NO: 22
INTERROGATORY NO: 358
ISSUE DATE: 03/29/96
WITNESS: Carlyn Harper Kowalsky
RESPONDENT: Carlyn Harper Kowalsky

INTERROGATORY NO: 358

For purposes of this request, please refer to the rebuttal testimony of Ms. Kowalsky, page 6, lines 13-14. For each SSU system where the company proposes to implement a water conservation program, state the amount of capacity that will be saved and the total amount of capital additions that have been deferred as a result of the proposed program.

RESPONSE: 358

SSU operates as one system. SSU's conservation program is a company-wide, state-wide program. Over the years some components may be focused primarily on individual areas, as with capital investments, as the need arises. Information regarding specific capital project deferrals for individual facilities is not available at this time. However, as noted in previous testimony and responses to discovery requests, SSU has developed its conservation program in response to requirements from the water management districts. The Districts require SSU to implement these programs for the purpose of meeting state water policies regarding conservation and resource protection, not because the program may result in deferrals of capital projects. SSU incorporates conservation as a part of its planning process for water supply facilities.

DOCKET 950495-WS

²⁰⁸**EXHIBIT NO.** 208

CASE NO. 96-04227

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate)
increase for Orange-Osceola)
Utilities, Inc. in Osceola County,)
and in Bradford, Brevard, Charlotte,)
Citrus, Clay, Collier, Duval,)
Highlands, Lake, Lee, Marion,)
Martin, Nassau, Orange, Osceola,)
Pasco, Putnam, Seminole, St. Johns,)
St. Lucie, Volusia, and Washington)
Counties by Southern States)
Utilities, Inc.)
_____)

Docket No. 950495-WS

Citizens'

Cross Examination Exhibit _____

Selected Invoices and Letters

Image Marketing Associates, Inc.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET
NO. 950495 **EXHIBIT NO.** 208

COMPANY/

WITNESS:

DATE 4/29/96

SOUTHERN STATES UTILITIES, INC.
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS
DOCKET NO.: 950495-WS

REQUESTED BY: OPC
SET NO: 7
DOCUMENT REQUEST NO: 221
ISSUE DATE: 09/29/95
WITNESS: Tracy Smith
RESPONDENT: Tracy Smith

DOCUMENT REQUEST: 221

Please provide a copy of all memorandum from Image Marketing to the Company and all memorandum from the Company to Image Marketing.

RESPONSE: 221

Copies of all requested documents regarding Image Marketing may be found in Appendix DR 221-A.

①

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963-2599
(813) 598-9499

TO: Ida Roberts
FR: George Cecil
DA: 02-04-93
RE: Marco Meetings

The luncheon with Jack O'Brien went very well and I feel the personal contact you have established will be very helpful and valuable. Finding out exactly what kind of advance information he wanted on the rate case and providing it should give SSU a better chance of getting a more objective story out of Jack, something he is not always known for. As you could tell, he was not especially fond of Kerry; however, he seemed pleased at the openness you showed and your willingness to provide him with information to make his job easier. It was obvious he felt very at ease with you and that you had struck up a good relationship with him. This will be nothing but a benefit for SSU. Continued frequent contact with Jack should improve the somewhat strained relationship that previously existed.

The Naples Daily News person you will want to talk to is Kathleen Murphy, Marco bureau chief. I have already informed her you want to meet with her Monday the 8th, and she said she would be pleased to have you drop by -- no pre-set time necessary. Prior to 4 p.m. she will be working in the newsroom at the NDN's main office in Downtown Naples (I can steer you to it if you elect to meet her there); after 4 p.m. she will be in the Marco NDN bureau office at 931 N. Collier Blvd., just down the street from the SSU office. She's a bit of a lightweight and not very communicative or sharp. There was another reporter also assigned to the hearing, but he has been moved to another position and a new reporter has yet to be assigned. I'll keep in touch with the regional editor, Brent Batten, to find out who it will be and set up a contact for you when appropriate.

As mentioned earlier today, a meeting has been set for you with Commissioner John Norris following your 9 a.m. March 3 meeting with Commissioner Bettye Matthews. The Norris meeting is at 10 a.m., so that should give you plenty of time in between.

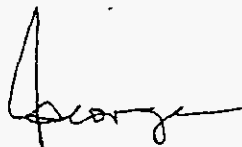
②

Page 2, Meeting Memo

I just talked with Dave about your meeting -- or was it a non-meeting -- with Commissioner Constantine. Dave didn't know what to make of his strangely quiet behavior, and, frankly, neither do I. When I discussed the meeting with him, he seemed interested and amenable to talking with you, so I'm somewhat baffled by his lack of response. However, it's apparent he is very ambitious, very opportunistic, and, from his actions at recent commission meetings, likely to come down on the side of an issue that will get him the most votes. No doubt he harbors a desire for higher office and has already set his sights on that. That makes him a dangerous enemy, if he chooses to go that route. At the same time, he has been pushing privatization of county government, so his behavior is all the more strange. He will bear close watching and I'll keep you informed on his moves.

I meant to talk to you about a news release on the upcoming open house, but the opportunity never presented itself. A one-take, nuts & bolts news release is in order and, if you would like, I'll put one together. Will check with you tomorrow on this and on your reactions to the meetings.

I very much enjoyed meeting you face to face and look forward to the opportunity to continue working with you.



It™ brand fax transmittal memo 7671	# of pages ▶ 2
ISA IRVEN	From GEORGE CECIL
SSU	Co. IMA
	Phone #
	Fax #

Image Marketing Associates, Inc.
 7400 Tamiami Trail N., Suite 101
 Naples, Florida 33963-2599
 (813) 598-9499

TO: Lisa Irven
 FR: George Cecil
 DA: August 3, 1993
 RE: 93/94 Ad Series & PR

Following our discussion at the Marco workshop, I have been reviewing various SSU background materials for possible advertising/PR ideas. As we discussed, the approach should be to continue the 92/93 ad theme with it's heavy emphasis on conservation and to expand it. The objective is not only to inform your customers on water use/conservation but also to help establish SSU as a leader in this field. Each ad would be appropriately illustrated using the same approach as the 92/93 series:

We have come up with four ad/PR ideas gleaned from your corporate materials:

1. Reclaimed Water: Using high quality reclaimed water produced by SSU's wastewater treatment facilities for beneficial uses: landscape irrigation, agriculture irrigation, ground water recharge, industrial uses, fire protection, etc. Would specify SSU examples, such as golf course irrigation at Marco & Venice and any others.
2. Reverse Osmosis: Would repeat the handbook theme of "Advanced technology working for you" and explain SSU's rationale behind the process.
3. Water conservation at home: Tips for cutting water consumption indoors (toilets, showers, shaving, etc.) and offering handy booklet. Would be more specific than previous general "Tighten up on water conservation" ad.
4. Inverted rates: A conservation incentive: Explains SSU's rationale behind inverted rates as a method of encouraging conservation. Would seek public input by encouraging reader response.

All of the above have been presented by SSU in various ways in handouts, newsletters, etc. The ads would be a strong graphic presentation that would reinforce and expand SSU's messages to a broader audience. These ideas are not engraved in stone and we welcome your input.

(4)

Image Marketing Associates, Inc.
7400 Tamiami Trail N., Suite 101
Naples, Florida 33963-2599
(813) 598-9499

TO: Lisa Irven
FR: George Cecil
DA: August 21, 1993
RE: Red Ribbon Campaign

A reminder that the 1993 National Red Ribbon Campaign will get under way in late October. SSU could participate in this company wide for minimal expense with some positive PR impact. I am faxing flyer from Collier County with local info showing materials that can be ordered and costs. You probably can get the stuff cheaper in your local communities' hardware stores. Just wanted to let you know ahead of time in case you want to participate.

How are things going? Haven't received a reply to the message I left on your answering machine a week or so ago. I just wanted to check in and see how things are going, status of my PR involvement, and status of a 60-day plus invoice and others. Please give me a call when you get a chance.

Thanks,
George

(5)

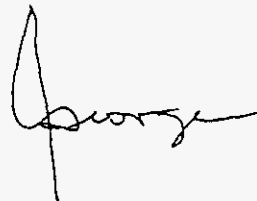
Image Marketing Associates, Inc.
7400 Tamiami Trail N., Suite 101
Naples, Florida 33963-2599
(813) 598-9499

TO: Lisa Irven
FR: George Cecil
DA: October 9, 1993
RE: March Christmas Parade

I am sending a flyer from the Marco Chamber of Commerce concerning the annual Christmas parade. They're really giving plenty of advance notice!

You participated last year and I feel it was very worthwhile to do so, but it was an expensive proposition. My recommendation, if you want to participate again this year, is to have Dave organize a float-building crew using SSU staff and families. That way your only costs would be materials, and it could be a fun event for the staff.

We'll be glad to assist in any way possible. Just let me know.



⑥

Post-It™ brand fax transmittal memo 7671		# of pages
To	LISA IRVEN	From
Co.	SSU	Co.
Dept.		Phone #
Fax #		Fax #

Image Marketing Associates, Inc.
 7400 Tamiami Trail N., Suite 101
 Naples, Florida 33963-2599
 (813) 598-9499

Client: Southern States Utilities
 Project: Christmas Parade Float
 Job No.: SSU049
 Date: December 11, 1993

Lisa:

The parade went very well, and, judging from the reaction of the crowd, the float was a big hit. The float looked great (will send photos as soon as they are processed) and everything went very smoothly. Santa and the elves drew cheers and clapping from the crowd, and I think they helped to deflect negative comments and soften spectator comments. Mike Quigley and Ron said crowd reaction generally was very good, especially compared to last year. As expected, there were a few barbs thrown by some of the parade spectators, with shouted comments like "Don't raise our water rates!" and "Great float, lousy water!" (I heard that one.) Generally though, all of us felt like the crowd appreciated SSU's efforts and participation.

The crowd turnout was excellent, about the same as last year, and the weather was great, although rain threatened earlier and the wind blew heavy all day. You can score this one as a positive PR effort all the way.

George

④

Post-it Fax Note	7671	Date	¹⁰ 2/8/94	# of pages	1
To	LISA IRVEN	From	GEORGE CECIL		
Co./Dept.	SSU	Co.	IMA		
Phone #		Phone #			
Fax #		Fax #			

Image Marketing Associates, Inc.
7400 Tamiami Trail N., Suite 101
Naples, Florida 33963-2599
(813) 598-9499

TO: Lisa Irvn
FR: George Cecil
DA: February 9, 1994
RE: Delivery of door hangers to individual locations

Lisa:

A reminder that by tomorrow (^{Friday} ~~Thursday~~) I'll need the contact names, locations, addresses & phone numbers of each location to which the door hangers will be sent, plus how many need to be sent to each.

Our staff will be standing by Friday afternoon when the printer delivers the final product to sort, package and ship the door hangers via UPS so that all locations will have their supply Monday.

We'll pull samples and send you several for your files.

Thanks,
George

8

Post-It™ Fax Note	7671	Date	4-7	# of pages	1
To	LISA IRVEN	From	GEORGE CECIL		
Co./Dept.	SSU	Co.	IMA		
Phone #		Phone #			
Fax #		Fax #			

Image Marketing Associates, Inc.
 7400 Tamiami Trail N., Suite 101
 Naples, Florida 33963-2599
 (813) 598-9499

TO: Lisa Irvn
 FR: George Cecil
 DA: April 7, 1994
 RE: Marco Water Supply Meeting

I attended last night's meeting to keep myself current on Marco customer attitudes and to pick up the latest information on SSU's activities on the island. It turned out to be very interesting in both respects.

The thing that stood out the most was the spirit of cooperation exhibited by the MICA people and the total lack of rancor among the audience. It was a virtual love fest compared to any other public meetings involving SSU that I have been to. Participants generally appeared to appreciate the "straight scoop" from SSU officials. Even the Q&A period was a good information exchange session. They seemed to be looking for genuine solutions and appeared aware that whatever is done is going to increase water costs somewhere along the line.

While the turnout was a little disappointing (64 at its peak, not including media or SSU officials), it can't be blamed on lack of publicity. Both the Eagle and the Islander gave the meeting good advance coverage. Unfortunately, a public meeting on sidewalks also was going on simultaneously and probably drained off many who otherwise would have attended.

The only sour note came from our old nemesis, Jack O'Brien, who as usual went off on his own tangent, ignoring the obviously positive drift of the meeting. I overheard him mumbling about the Dude Pit court case as he charged up to see Karla. Karla restated the situation, but I can hardly wait to see what Jack has to say in Saturday's paper. I'm certain he'll find something negative to gripe about.

Anyway, it was a good meeting and I'll send news clips up as they appear.

(9) *George*

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963-2599
(941) 598-9499 • FAX (813) 598-9220

TO: Ida Roberts
FR: George Cecil
DA: October 10, 1995
RE: Conservation Ads

Ida:

Here are copies of the ads directly or indirectly related to conservation that have run since 1992, along with the insertion orders containing ad placement costs. Some of them have been used over multiple years and in multiple SSU markets. I did not include Image Marketing's production costs for each ad since those costs would be listed individually under each month's invoice, all of which you have. Nor does it cover related retainer costs which are also broken out separately on the invoices for each ad.

Please let me know if this is what you need or if you need more documentation.

SSU OAS
53
66F
56
54

Lehigh 9-18-92
" 2-10-92

66D
Manno 12-17-91

10

SOUTHERN STATES UTILITIES, INC.
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS
DOCKET NO.: 950495-WS

REQUESTED BY: OPC
SET NO: 9
DOCUMENT REQUEST NO: 248
ISSUE DATE: 10/05/95
WITNESS: Undetermined
RESPONDENT: Ida Roberts

DOCUMENT REQUEST: 248

For purposes of this request, please refer to page 8, responsibility center 605, of the 1995 budget. Please provide a copy of all invoices received to date in 1995 for the outside PR counsel. If these invoices have previously been provided, please simply identify the same by name of counsel and by invoice number.

RESPONSE: 248

Copies of Image Marketing outside PR counsel invoices for 1995 are attached as Appendix DR248-A.

11

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(941) 598-9499

Client:

Joanne Harris
Southern States Utilities, Inc.
1000 Color Place -
Apopka, Florida 32703

Date: Sept. 11, 1995
Invoice: 3941

August, 1995 Retainer for 7.50 hours
of service. Analysis and breakdown
of month's activity is attached \$ 562.50

Expenses:

Band Rooster Ad: Design, typesetting,
mechanical and stat \$ 78.89

Long distance calls and taxes \$ 30.00
Sub-Total: 671.39

Sales Tax: Typesetting and Mechanical \$ 3.65

TOTAL: \$ 675.04

NET: 10 DAYS

RECEIVED

SEP 22 1995

Accounts Payable

Thank you. We appreciate your business.

Client Copy

(12)

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(941) 598-9499

Client:

Southern States Utilities

August Retainer Analysis

Band Booster Ad: Write ad copy, discuss with client, select ad art, follow through production/proofing (actual time - 1.75 hours) 1.25 hours

Pollution Work Group: Discuss with client, attend meeting, fax client follow-up memo (actual time - 4.25 hours) 2.25 hours

Water Main Break PR: Discuss with client, write copy for press release, fax to client for review, fax to media and follow-up (actual time - 1.25 hours) 1.00 hour

Miscellaneous: Discuss trolley sign contract renewal, prepare status report for Executive Committee, discuss rate case PR and media, read articles etc., pertinent to SSU, pull and fax key information to appropriate officials (actual time - 6.00 hours) 3.00 hours

Total Hours Worked: 7.50 hours

RECEIVED
SEP 22 1995
Accounts Payable

13

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(941) 598-9499

Client:

Joanne Harris
Southern States Utilities, Inc.
1000 Color Place
Apopka, Florida 32703

Date: Aug. 03, 1995
Invoice: 3884

July, 1995 Retainer for PR & Research services. Analysis and breakdown of month's activity is attached	\$ 2,171.25
Water Parasite Alarm: Videotape and additional clips	\$ 156.25
Long distance, mileage and Federal Express charges	<u>\$ 79.80</u>
TOTAL:	\$ 2,407.30
NET:	10 DAYS

RECEIVED
SEP 05 1995
Accounts Payable

Thank you. We appreciate your business. *Client Copy*

14

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(941) 598-9499

Client:

Southern States Utilities

July Retainer Analysis

Water Parasite Alarm: Discuss TV reports on parasite and how two respond, call videotaping firm re: time deadline and order tapes, pick-up tape and review to determine response, call client with comments, meet with Naples Daily News Bureau Chief, clip and fax Naples Daily News articles, call from media re: Collier pit photo, call SSU with photo request, call client re: number of article related calls, call Naples Daily News Marco Islander to set-up photo 7.50 hours

Miscellaneous: Meet with client prior to Basin Board meeting, meet with SSU staff to prep for meeting, meet with Basin Board officials, discuss meeting results with client, develop costs for new poster contest, discuss pollution meeting, meet with new regional manager, attend Pollution Prevention meeting, post meeting discussion of results and conservation program, call client with update, discuss retrofit kits background, discuss trolley sign renewal for Marco, research rain detector companies, supply copies of all projects, samples and invoices from 1991 to date, research newspapers for articles etc., pertinent to SSU, pull and fax key information to appropriate officials 38.25 hours

> Rate case interrogatory

Total Hours Worked: 45.75 hours

RECEIVED

SEP 05 1995

Accounts Payable

15

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(941) 598-9499

Client:

Southern States Utilities

June Retainer Analysis

Discuss rate case with Naples Daily News
reporter, discuss Cypress Basin Water
Management District initiative, discuss
Marco meeting and press conference with
Joanne, strategy meeting with SSU re:
rate case, discuss rate case PR and media,
read articles etc., pertinent to SSU, pull
and fax key information to appropriate
officials 5.75 hours

Total Hours Worked: 5.75 hours

RECEIVED
JUL 24 1995
Accounts Payable

(16)

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(941) 598-9499

Client:

Southern States Utilities

May Retainer Analysis

Miscellaneous: Discuss status of projects with client, review Marco, Naples, Fort Myers and Lehigh media for articles etc., pertinent to SSU, pull and fax key information to appropriate officials, provide client with PR explanation for rate case and discuss PR materials for rate case, gather conservation files and ship to client 5.00 hours

Total Hours Worked: 5.00 hours

(17)

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(813) 598-9499

Client:

Terry Ingram
Southern States Utilities, Inc.
1000 Color Place
Apopka, Florida 32703

Date: Mar. 13, 1995
Invoice: 3629

Public Relations:

Billing:

Retainer for February 1 - 28, 1995
for 18.25 hours of public relations
services \$ 1,368.75

Expenses:

Collier County Story: Photo reprints \$ 10.27

R.O Plant Open House: Typeset names for
Poster Contest, produce 3 certificates for
teachers, 2 rolls of color film and
processing, easel rentals, miscellaneous
snacks for open house and mat board to
mount posters \$ 170.75

Conservation Newsletter: Artwork for
masthead, scan and re-work masthead,
masthead, film and processing for photo
usage in newsletter \$ 233.75

Long distance phone calls/faxes/mileage
and Federal Express charges \$ 87.00
Sub-Total: \$ 1,870.52

Sales Tax-Creative/Graphics/Typesetting/Mechanical .. + 12.16

TOTAL: \$ 1,882.68

NET: 10 DAYS

RECEIVED

APR 4 1995

Accounts Payable

Thank you. We appreciate your business.

(18)

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(813) 598-9499

Client:

Southern States Utilities

February Retainer Analysis

Marco Conservation Program: Discuss Frank Blanchard condo meeting needs, discuss hotel water conservation news release and Barfield Elementary follow-up (actual time - 1.25 hrs.) 1.00 hour

Marco Trolley Sign: Check status of sign for trolley, take photos of sign on trolley (actual time - 2.25 hrs.) 1.25 hours

Collier Country Story: Fax story to client for approval, select photos for press release, prepare and distribute to media with photos, follow-up with reporters, clip story and fax to client (actual time - 3.50 hrs.) 1.75 hours

Conservation Kits PR: Fax release to client for approval, prepare and distribute to media, fax clip of PR to client (actual time - 2.0 hrs.) 1.00 hour

Marco Office Exhibit: Discuss display needs with client, determine display size, research and request info on exhibits, request bids and discuss with client (actual time - 4.00 hrs.) 2.00 hours

PRSA Entry: Discuss project with client (actual time - .50 hr.)25 hour

Booth Display Water Drop: Discuss project with client (actual time - .50 hr.)25 hour

-more-

(19)

Southern States Utilities
February Retainer Analysis
Page Two

R.O. Plant Open House: Discuss media coverage, finalize press releases and details for open house, coordinate set-up time, supervise and assist with open house events, clip articles on open house and discuss with Frank Blanchard and send memo to client, discuss open house results (actual time - 13.50 hrs.) 6.75 hours

Conservation Newsletter: Discuss project delay, prepare new temporary schedule, follow-up on approval of masthead design, supply client with various newsletter elements: printing specifications, style, etc., (actual time - 2.50 hrs.) 1.25 hours

Miscellaneous: Meet with client and discuss various projects, review Naples, Marco, Fort Myers and Lehigh media for articles etc., pertinent to SSU, pull and fax key information to appropriate officials (actual time - 5.50 hrs.) 2.75 hours

Total Hours Worked: 13.25 hours
Hours Contracted: 20.00 hours
Hours Under for February: 1.75 hours

Client:

Terry Ingram
 Southern States Utilities, Inc.
 1000 Color Place
 Apopka, Florida 32703

Date: Feb. 10, 1995
 Invoice: 3593

Retainer for January 1-31, 1995 for 20 hours of service. Analysis and breakdown of month's activity is attached	\$ 1,500.00
Additional hours worked for the month of January, 1995 - 20.50 hours	\$ 1,537.50
Marco Conservation Program: Print 1,300 flyers and 24 posters for miscellaneous distribution for MICA meeting	\$ 186.24
Stationery Package: Typesetting, mechanical, and printing 1,00 sheets of letterhead and 1,000 #10 envelopes	\$ 197.12
Marco Trolley Sign: Mechanical, cut overlay, and production of 47" x 27" metal sign for trolley	\$ 280.53
Collier County Story: Photography, film and processing	\$ 18.84
R.O. Plant Open House: Plastic bags, winner ribbons, coffee maker rental, mechanical for two certificates, and print 100 certificates	\$ 243.56
Open House Ad: Typesetting, mechanical, stat and placement	\$ 149.50
Open House Brochure: Typesetting, mechanical, changes to water drops' art, client copy typesetting revisions and printing 500 Open House brochures	\$ 332.52
Conservation Newsletter: Design, 2-color mock-ups, masthead design - 2 sides	<u>\$ 126.00</u>
	Sub-Total: \$ 4,571.81
Sales Tax: Typesetting & Mechanical	<u>+ 23.64</u>
	Sub-Total: \$ 4,595.45
Less Overpayment 12/94 (copy attached)	<u>- 82.50</u>
	TOTAL: \$ 4,512.95

RECEIVED

APR 04 1995

Accounts Payable

NET: 10 DAYS

Thank you. We appreciate your business.

(21)

Image Marketing Associates, Inc.
7400 North Tamiami Trail, Suite 101
Naples, Florida 33963-2599
(813) 598-9499

Client:
Terry Ingram
Southern States Utilities
1000 Color Place
Apopka, Florida 32703

Date: Dec. 27, 1994
Invoice: 3500

Job #: SSU072
Christmas Float

Deposit paid 11/16/94 for design, construction,
and materials \$ 5,000.00

Itemized list of expenses follows:

- Concept, design and mock-up of 1 design - 225.00
- 3 Christmas drawings for float - 150.00
- Color copy poster prints mounted for float
and stat - 97.23
- Labor, materials, lumber for schoolhouse
and chalk boards - 528.87
- Banner for float - 125.00
- Decorations for float, cap and gown rental - 163.33
- Gas and expenses for trailer 51.18

Float planning, discuss design with several
carpenters for bids, pick-up trailer and
transport to location, discuss banner prices
with printers, build float, coordinate picking
up desks, schoolhouse, chalkboard and banner
for float, coordinate arrival time and location
for people riding on float, deliver float to
Marco and finish building, tear float apart and
return trailer (72 hours)

\$ 35/hr

Float Sub-Total; - 4,060.11

George's misc time: Coordinate arrangements
for float and supervision - 385.00

Naples Daily News ad placement (Marco Meeting Ad) .. - 273.00

Hours over retainer as of 12/21/94: 70.5 hours
(billed at reduced rate) - 8,172.50

BALANCE DUE: \$ 3,090.61

NET: 10 days

Thank you. We appreciate your business.

22

Client Copy

RECEIVED
IAN 25 1995
Accounts Payable

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963
(813) 598-9499

Client:

Terry Ingram
Southern States Utilities, Inc.
1000 Color Place
Apopka, Florida 32703

Date: Dec. 31, 1994
Invoice: 3518

December Expenses:

Marco Conservation Program: Format 12 logo sheets and illustration	\$ 165.00
Lapel Stickers: Mechanical and printing 5,000 lapel stickers	\$ 717.16
Brochure: Illustrations of water drop, sprinkler and family group, typesetting, client revisions, color breaks, mechanical and printing 5,000 brochures	\$ 1,725.12
Dec. 7 & 20 Meeting Ad and Flyer: Design ad and flyer, typesetting, stat for newspaper ad, mechanical and printing 3,000 flyers	\$ 182.85
Ad Kickoff Ad: Design, typesetting, stats and placement in Naples Daily News Islander and Marco Island Eagle	\$ 147.70
Long distance phone calls and faxes	\$ 24.00
	Sub-Total: \$ 2,961.83
Sales Tax: Typesetting and mechanical	\$ 27.02

RECEIVED

JAN 25 1995

Accounts Payable

TOTAL: \$ 2,988.85

NET: 10 DAYS

Thank you. We appreciate your business.

Client Copy

23

PAY BY COPIES - NO ORIGINALS

Image Marketing Associates, Inc.
7400 Tamiami Trail North, Suite 101
Naples, Florida 33963-2599
(813) 598-9499

TO: Ida Roberts
FR: George Cecil
DA: 01-15-93
RE: R.O. Plant Open House, Commissioner et al Meetings

I have discussed with Dave arrangements for the R.O. plant open house on Feb. 17, and it appears at this point that he has all the necessary materials he needs: tables, tablecloths, signage, etc. Dave also has a TV/VCR that can be set up at the plant for viewing of the new SSU tape. He will be supplying cookies & refreshments. I do not see any need for additional expenditures, but will be glad to pursue any other items you might need. I had a large Open House sign made up for the last event and I believe Kerri took it back with him to Apopka -- at least we can't find it here. Would you please check into that so it could be brought down for use in February? Thanks.

I faxed the previous open house ad to Lisa earlier this week. Can that be recycled with a new headline and updated copy, or do you want an entirely new ad? If it's the latter, I would like to get started on it soon.

On Monday I will begin making efforts to set up meetings with new county commissioners Tim Constantine (-tine is pronounced "teen") and Betty Matthews. I hope your schedule will allow you to attend the meetings instead of Karla; it might appear a little too confrontational if the corporate attorney showed up. Dave also will be there, and he is very familiar with the courthouse.

If you do come down, it also would be good to schedule a meeting with Jack O'Brien of the Marco Eagle. Anything we can do to calm him down a little will be helpful. Sometimes personal contact can smooth off the rough edges. We haven't smoozed him lately and he may just need a fix.

There's no progress report on any other club/organization meetings despite repeated efforts. The next several months are already booked and/or the clubs just aren't interested. Dave & I are still trying on the two Rotary Clubs, so there is still a chance there.

I hope all went well with your house closing and look forward to talking with you soon.

24 George

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY: OPC
SET NO: 9
INTERROGATORY NO: 259
ISSUE DATE: 10/05/95
WITNESS: Undetermined
RESPONDENT: Ida Roberts

INTERROGATORY NO: 259

For purposes of this request, please refer to page 8, responsibility center 605, of the 1995 budget. Please indicate who the outside PR counsel is and how much was spent on this function in 1993, 1994, and by month year to date.

RESPONSE: 259

The outside public relations counsel is Image Marketing Associates, Inc., Naples, Florida, whose major SSU assignment is develop and place conservation advertising and provide assistance on customer conservation workshops and other customer-related communications.

Approximate Expenses:

1993:	\$16,746.84
1994:	\$33,894.49
January 1995:	\$ 1,989.98
February 1995:	\$ 6,079.46
March 1995:	None
April 1995:	\$ 8,486.34
May 1995:	None
June 1995:	\$ 1,693.59
July 1995:	None
August 1995:	\$ 431.25
September 1995:	\$ 2,407.30
October 1995:	\$ 675.04