



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: November 10, 1997
 TO: Division of Records and Reporting
 FROM: Division of Water and Wastewater (Von Fossen) *RUF*
 RE: Docket No. ~~960288~~-SU, Application for approval of Reuse Project Plan in Seminole County by Alafaya Utilities.

Please place the attached October 14, 1997 correspondence from Mr. Carl Wenz in the above docket file

cc: Charles H. Hill

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
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FPSC-RECORDS/REPORTING

OCT-14-1997 10:33

UTILITIES INC

UTILITIES, INC.

847 498 2866 F.001/003

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Northbrook, Illinois 60062-6196
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October 14, 1997

Mr. Ralph Van Fossen
Economic Analyst
Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0873

Via Fax 850-412-7006

RE: Docket No. 960288-SU Alafaya Utilities, Inc. Reuse Project Plan
Dear Mr. Van Fossen:

Below are answers to the questions put forth in the Staff's review of Alafaya's Reuse Project Plan.
Has Utilities, Inc. had any other experience with residential reuse systems either in Florida or other jurisdictions?

No. Utilities, Inc. subsidiaries in other states provide reuse to non-residential customers only.
Estimated cost per home for reuse distribution system (which will be donated) and meter/backflow installation.

Reuse distribution system costs should approximate the cost of a potable water distribution system. The reuse facilities for Phase 3B of the Little Creek development were recently installed at a cost of \$39,310. The facilities included 250' of 6" PVC pipe, 2,850' of 4" PVC pipe, valves, testing and 64 services. This calculates to be about \$616 per lot. The cost of installing a reuse meter would also approximate the cost of installing a potable water meter, somewhere in the range of \$100 to \$150 per home. Backflow devices would not be required on the reuse line.
More backup on proposed participation rate and 500 gpd usage.

Section 5.3 of the Reuse Study/Plan outlines the various assumptions that were made in developing the 500 gpd estimate. At this time, additional data supporting that estimate is not available.
What, if any rate level was used in determining the participation rate and usage? Isn't a proposed rate level needed to make such an analysis? Would the preliminary rates and service availability charges herein impact the usage and participation rate? If yes, how?

You are correct in pointing out that the participation rate would be impacted by the rate charged for reuse service. However, the use of a 500 gpd usage rate assumes that the ultimate reuse rate would be price competitive with the alternative irrigation source, potable water. Since the preliminary reuse rate developed by the Staff appears to be competitive with the City's existing rates for potable water, the 500 gpd assumption employed in the Reuse Plan should not be impacted.
How long will it take to construct the Scenario 4 improvements?

We estimate that it will take approximately two years to install the main feeder line; construct the pump station at the present pond site; and increase the capacity of the filters. Reuse distribution lines will be installed as new development occurs.

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The customer growth rates presented in the filing are based upon historic data. Do you have any developer specific information etc., which would impact that growth rate? Have you had any discussion with developers/land owners regarding the timing of their developments?

The Waverly Woods development is currently underway. Other developers have not given us a specific time frame for their projects.

Have you had discussions with any developers as to whether they would provide ponds or other methods of storage for reuse? What are your plans for reuse storage?

Currently, the pond at the golf course is used for reuse storage. This site should be adequate for the near term. Additionally, we have had preliminary discussions with developers regarding additional reuse storage. Proposed developer agreements for the River Oaks and River Oaks Reserve projects include provisions for additional storage sites. However, negotiations with these developers have not yet been finalized.

Will any commercial customers or other bulk customers, golf courses etc., be constructed in the new area?

Preliminary plans for the new area do include some commercial customers. However, there are no new golf courses planned at this time.

Have you made the golf course aware that they may soon be charged for reuse?

We have not discussed this with the golf course.

Will residential customers in the new territory be allowed to drill private wells? Is there any ordinance or prohibition regarding private wells?

The City of Oviedo has no ordinance prohibiting homeowners from drilling wells for irrigation.

Have you considered talking with developers to see if they could promote or mandate reuse by deed restrictions covenants, etc.?

No, this has not been discussed with the developers.

Do you have any written documentation from DEP regarding the present or future status and degree of utilization of perc ponds. To fully utilize existing plant, will reuse eventually be your sole means of effluent disposal or will it remain a combination of perc ponds and reuse?

Effluent disposal will continue to be a combination of perc ponds and reuse.

When new wastewater customers connect to the system, have you given consideration as to how you would promote your reuse system? For example would you utilize DEP and WMD pamphlets?

We will be initiating a reuse public relations program explaining the benefits of using reuse for irrigation instead of potable water. We would definitely use any DEP or WMD pamphlets that are available.

Since reuse represents a new class of service, have you considered the in house preparation needed to provide this service such as billing, application forms etc.?

In addition to the reuse public relations program, we would be developing a cross connection and back flow prevention staff. The billing and application process for wastewater service and reuse service would be combined. The additional effort required to bill reuse would be negligible.

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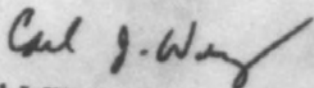
UTILITIES INC

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Please feel free to contact me if you have any additional questions.

Very truly yours,



Carl J. Wenz
Vice President, Regulatory Matters

cjw/me

cc: Marty Friedman
Don Rasmussen

TOTAL P.003