

ORIGINAL

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March 26, 1999

Ms. Blanca Bayo
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 981221-SU, Application for Transfer of Certificate Nos. 495-S and 358-S from Sandalhaven Utility, Inc. to Utilities, Inc. of Sandalhaven in Charlotte County Florida.

Dear Ms. Bayo:

The seller and the buyer in the above referenced transfer docket have determined that it is in the best interests of the customers if the buyer takes over the operation and maintenance of the utility system until the Public Service Commission renders a final decision on the transfer application, which is expected sometime in June.

The attached notice dated March 2, 1999 from DEP to the current owner citing 15 deficiencies shows the need for immediate action. Therefore, pursuant to my prior telephone conversations with Commission Staff, and subject to final consideration by the PSC, the parties expect to close the transaction sometime next week so the buyer can take over operations. Copies of the closing memorandum and other documents will be filed with the Commission as soon as they are available. Hopefully, a final decision can be rendered by the Commission by the end of June.

Thank you for your assistance. If there are any questions, please let me know.

Sincerely yours,



Ben E. Girtman

- ACK _____
- AFA _____
- APP _____
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Encl.
cc w/encl: Mr. Carl Wenz
Samantha McRae, Esq.

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DOCUMENT NUMBER-DATE

04017 MAR 29 99

FPSC-RECORDS/REPORTING



Jeb Bush
Governor

Department of Environmental Protection

Mark
COPY

South District
P.O. Box 2549
Fort Myers, Florida 33902-2549

David B. Struhs
Secretary

March 2, 1999

Mr. Robert W. Spade
Sandalhaven Utility, Inc.
6800 Placida Road
Englewood, FL 34224

Re: Charlotte County - DW
Sandalhaven Utilities - S.T.P.
FLA014053

Dear Mr. Spade:

The purpose of this letter is to advise you of possible violations of law for which you may be responsible, and to seek your cooperation in resolving the matter. Field inspections of the above referenced facility on December 3, 1998 and February 17, 1999 indicate that a violations of Florida Statutes (F.S.) and Rules may exist at the above described facility.

Department personnel observed the following at the facility:

1. The skimmer on the clarifier is submerged. Florida Administrative Code (F.A.C.) Rule 62-600.410(6) requires that all facilities and equipment necessary for the treatment, reuse, and disposal of domestic wastewater or domestic wastewater residuals shall be maintained at a minimum, so as to function as intended.
2. Clarifier weir parts are missing producing an uneven flow over the weir. F.A.C. Rule 62-600.410(6) requires that all facilities and equipment necessary for the treatment, reuse, and disposal of domestic wastewater or domestic wastewater residuals shall be maintained at a minimum, so as to function as intended.
3. The safety rails on top of the plant are deteriorating. F.A.C. Rule 62-600.410(7) states that all treatment plant permittees shall be responsible for making all facilities safe in terms of public health and safety at all times, including periods of inactivation or abandonment.
4. The chlorine cylinders were not on scales. Department correspondence dated February 21, 1995 informed the utility of this

Continued

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requirement. F.A.C. Rule 62-600.410(6) requires that all facilities and equipment necessary for the treatment, reuse, and disposal of domestic wastewater or domestic wastewater residuals shall be maintained at a minimum, so as to function as intended.

5. The operator log book indicates that sludge was hauled on December 3, 1998. There was no pH recorded indicating stabilization. F.A.C. 62-640.600(1)(c) states that Class B pathogen reduction requirements shall be satisfied if sufficient lime is added to produce a pH of 12 for a minimum of 2 hours, or a pH 12.5 for a minimum of 30 minutes. The pH shall be maintained at or above 11 until the septage is land applied, but shall be less than 12.5 at the time of land application.
6. Calibration records for the continuous on-site monitoring equipment could not be located. Specific Condition C.5. and F.A.C. 62-601.500(6) states that flow recording devices shall be calibrated annually.
7. A strong sewage odor was detected emanating from the wastewater treatment plant on February 17, 1999. F.A.C. Rule 62-600.410 (8) states that in the event that the treatment facilities or equipment no longer function as intended, are no longer safe in terms of public health and safety, or odor, noise, aerosol drift, or lighting adversely affect the neighboring developed areas at the levels prohibited by Rule 62-600.400(2)(a), F.A.C., corrective action (which may include additional maintenance or modification of the treatment plant) shall be taken by the permittee. Other corrective action may be required to ensure compliance with the rules of the Department.
8. On February 17, 1999, an off-site release of solids was observed. F.A.C. Rule 62-600.740(2)(a) states that the release or disposal of excreta, sewage, or other wastewaters or domestic wastewater residuals without providing proper treatment is prohibited.
9. A continuous monitoring device line was leaking inside the blower building. F.A.C. Rule 62-600.410(6) requires that all facilities and equipment necessary for the treatment, reuse, and disposal of domestic wastewater or domestic wastewater residuals shall be maintained at a minimum, so as to function as intended.
10. The March, 1998 DMR indicates a nitrate value of 13.5 mg/L. Specific Condition I.A.1. of the above referenced permit limits nitrate to 12 mg/L.

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11. The December, 1998 DMR indicates a TSS value of 8.6 mg/L. Specific Condition I.B.1. of the above referenced permit limits TSS to 5.0 mg/L. Correspondence from Sandalhaven Utility, Inc. dated December 4, 1998 states that the utility diverted to reuse on November 1, 1998.
12. Department records indicate that the January, February, March, April, May, July, August, September and December 1998 DMR's were not submitted in a timely manner. F.A.C. Rule 62-601.300(1)(b) requires that Parts A and B of DEP Form 62-620.910(10) be submitted in a timely manner so as to be received by the appropriate District Office of the Department by the 28th of the month following the month of operation.
13. Department records indicate that the November 1998 DMR has not been received. F.A.C. Rule 62-601.300(1)(b) requires that Parts A and B of DEP Form 62-620.910(10) be submitted in a timely manner so as to be received by the appropriate District Office of the Department by the 28th of the month following the month of operation.
14. Department records indicate that an Application for Transfer of Permit from Sandalhaven Utility, Inc. to CHP Utility, Inc. was submitted on October 9, 1997. Correspondence from the Public Service Commission indicates that all facilities and assets have been conveyed back to Sandalhaven Utility, Inc. An application for Transfer of Permit from CHP Utility, Inc. to Sandalhaven Utility, Inc. must be submitted.
15. Condition IV.2. of the above referenced permit states that the operating protocol shall be reviewed and updated periodically (at least once each year) to ensure continuous compliance with the minimum treatment and disinfection requirements. The operating protocol should also be updated when the modified system is certified complete. Updated operating protocols shall be submitted to the Department's South District Office for review and approval. Department records indicate that the operating protocol has not been updated. Please submit an updated operating protocol.

Any activities at the facility that may be contributing to violations of the above described statutes and rules should be ceased.

Continued activities at the facility in violation of state statutes or rules may result in liability for damages and restoration, and the judicial imposition of civil penalties up to \$10,000 per violation per day, pursuant to Sections 403.141 and 403.161, F.S.

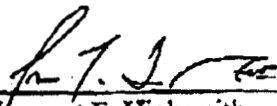
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For deliveries requiring a street address, please continue to use 2295 Victoria Avenue, Suite 364, Fort Myers, FL 33901-3881.

Please contact **Mark Johnson** at (941) 332-6975 ext. 108 or at the letterhead address within 15 days of receipt of this Warning Letter to arrange a meeting to discuss this matter. The Department is interested in reviewing any facts you may have that will assist in determining whether any violations have occurred. You may bring anyone with you to the meeting that you feel could help resolve this matter.

PLEASE BE ADVISED that this Warning Letter is a part of an agency investigation, preliminary to agency action in accordance with Section 120.57(5), F.S. We look forward to your cooperation in completing the investigation and resolution of this matter

Sincerely,


Margaret F. Highsmith
Director of
District Management

MFH/MFJ/jmo

cc: Bob Offer - Southwest Water and West