

ORIGINAL

M E M O R A N D U M

September 12, 2002

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (JAEGGER)

RE: DOCKET NO. 992015-WU - APPLICATION FOR LIMITED PROCEEDING TO RECOVER COSTS OF WATER SYSTEM IMPROVEMENTS IN MARION COUNTY BY SUNSHINE UTILITIES OF CENTRAL FLORIDA, INC.

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Attached is the Direct Testimony of Mike Sims (Marion County Solid Waste Department), and Richard S. Lott (Department of Environmental Protection) on behalf of Commission staff to be filed in the above-referenced docket.

RRJ:csc  
 Attachment  
 cc: Division of Economic Regulation  
 Division of Auditing and Safety  
 I:

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*Mike Sims*  
 DOCUMENT NUMBER-DATE  
 09707 SEP 12 08  
 FPSC-COMMISSION CLERK

*Richard S. Lott*  
 DOCUMENT NUMBER-DATE  
 09708 SEP 12 08  
 FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for limited  
proceeding to recover costs of  
water system improvements in  
Marion County by Sunshine  
Utilities of Central Florida,  
Inc.

DOCKET NO. 992015-WU


FILED: SEPTEMBER 12, 2002

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct  
Testimony of Mike Sims (Marion County Solid Waste Department), and  
Richard S. Lott (Department of Environmental Protection) has been  
furnished by U.S. Mail this 12<sup>th</sup> day of September, 2002 to the  
following:

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*DOCKET NO.:* 992015-WU - Application for limited proceeding to recover costs of water system improvements in Marion County by Sunshine Utilities of Central Florida, Inc..

*WITNESS:* Direct Testimony of Mike Sims, of the Marion County Solid Waste Department, Appearing on Behalf of Staff

*DATE FILED:* September 12, 2002

DOCUMENT NUMBER-DATE

09707 SEP 12 8

FPSC-COMMISSION CLERK

DIRECT TESTIMONY OF MIKE SIMS

1 |  
2 | Q. Please state your name and professional address.

3 | A. My name is Mike Sims and my business address is 5601 S.E. 66<sup>th</sup> Street,  
4 | Ocala, Florida 34480.

5 | Q. By whom are you employed and in what capacity?

6 | A. I am employed by the Marion County Board of County Commissioners  
7 | (MCBCC), Solid Waste Department as an Administrative Manager.

8 | Q. How long have you been employed by the Marion County Solid Waste  
9 | Department?

10 | A. I started working at the Marion County Solid Waste Department (MCSWD)  
11 | in December 4, 1993.

12 | Q. Would you state your educational background and experience?

13 | A. My educational background includes an Associate of Arts degree from  
14 | Miami Dade Community College (1979) and a Bachelor of Science degree in Plant  
15 | Science - Vegetable Crops from the University of Florida (1987). My  
16 | experience includes service in the U.S. Army, Toll Testing Technician at  
17 | Southern Bell, Assistant Farm Manager at Town & Country Farms, Soil  
18 | Conservationist at Marion Soil Conservation District, Hazardous Waste  
19 | Technician at the MCSWD, Hazardous Waste Supervisor at the MCSWD, and  
20 | Administrative Manager at the MCSWD.

21 | Q. Would you explain what your general responsibilities are as  
22 | Administrative Manager at the MCSWD?

23 | A. My general responsibilities as Administrative Manager at the MCSWD  
24 | include facilitating the flow of paper work in the MCSWD, organizing the  
25 | specifications for project bids, managing the implementation of contracts,

1 | overseeing the groundwater monitoring activities for the County's landfills.

2 | Q. What is the purpose of your direct testimony?

3 | A. My testimony will describe Marion County's assistance in addressing the  
4 | water contamination problem at the old Davis Landfill (Landfill) site.  
5 | Sunshine Utilities of Central Florida, Inc.'s (Sunshine or utility) Lakeview  
6 | Hills water system well is located next to the Landfill. My testimony will  
7 | also describe the County's proposal to have Sunshine provide service to  
8 | private homes that are currently not connected to the utility's water system  
9 | and the financial assistance proposed by County staff for this project.

10 | Q. Please state your understanding of the contamination problem at  
11 | Sunshine's Lakeview Hills water system.

12 | A. When I assumed this position with the MCSWD, ground water monitoring had  
13 | been going on for several years at monitoring wells located around the  
14 | Landfill and at private drinking water wells in the surrounding community.  
15 | Laboratory analysis had revealed levels of 1,1-dichloroethene (1,1-DCE) had  
16 | exceeded the maximum contaminate level (MCL) of 7 parts per billion  
17 | established by the state for this compound in several private wells and in  
18 | monitoring wells around the Landfill.

19 | The Landfill was constructed and accepted garbage disposal prior to the  
20 | currently required landfill liner and leachate collection systems that  
21 | protect groundwater from landfill contamination. Sunshine's Lakeview Hills  
22 | public well is located across from the Landfill on SE 115<sup>th</sup> Avenue. This  
23 | public supply well serves the Lakeview Hills water system. In September  
24 | 1994, the County's groundwater monitoring program discovered that the well  
25 | samples contained 1,1-DCE, but the samples did not exceed the MCL.

1 Marion County performed a contamination assessment report (CAR)  
2 identifying 1,1-DCE as a landfill generated contaminate. This CAR was checked  
3 and field-verified by both the Florida Department of Environment Protection  
4 (FDEP) and the United States Environmental Protection Agency. The County  
5 entered into a consent agreement with the FDEP to implement a closure plan for  
6 the landfill. In July, 2002, the closure plan was completed.

7 Q. What assistance has Marion County provided to Sunshine with regard to  
8 this contamination problem?

9 A. When 1,1-DCE was discovered in the Lakeview Hills supply well, the  
10 County performed quarterly water quality tests and provided the results to  
11 Sunshine, as directed by the FDEP. County staff requested permission, and was  
12 approved by the MCBCC, to install a dual tank activated carbon water filter  
13 system. The levels of 1,1-DCE had not exceeded the MCL prior to the date the  
14 filters were installed. The County, in agreement with the utility, agreed to  
15 fund the engineering, permitting, refurbishing of the filters (original  
16 filters supplied by FDEP), installation, water quality testing and maintenance  
17 of the filters. Sunshine informed the County at that time that Sunshine was  
18 planning a new water source for the Lakeview Hills water system.

19 Water quality testing prior to installing the filters was performed  
20 quarterly from October 1999 through October 2000 at a total cost of \$3,767.  
21 The filter was placed into operation in December 2000 for a cost of \$15,574,  
22 not including County staff time. The County continues to provide special  
23 water quality monitoring required by the filter permit and a sample is tested  
24 every 60 days for the presence of 1,1-DCE between the two filter units. The  
25 testing cost totaled \$3,582 for 2001 and from January through July, 2002 cost

1 | \$1,791. The filter permit requires replacement of the activated carbon filter  
2 | media when 1,1-DCE test results show breakthrough concentrations in excess of  
3 | 50% of the MCL.

4 | Q. Has the County replaced any filter media for this system, and if so,  
5 | what is the cost to changing a filter?

6 | A. Yes. The County's consulting engineer estimated that the first filter  
7 | would reach breakthrough concentrations of 50% of the MCL between 8 to 12  
8 | months. Marion County has exchanged the filter media once for Filter No. 1  
9 | on January 17, 2002, which occurred 12 months after the filters became  
10 | operational. Filter No. 1 accepts raw water from the well then feeds water  
11 | to Filter No. 2, then water flows into the distribution system. As expected,  
12 | Filter No. 1 reached 50% breakthrough first and required replacement.  
13 | Following replacement of the filter media in Filter No. 1, the water flow  
14 | manifold was adjusted to make Filter No. 2 the lead filter for raw water. The  
15 | cost for the filter exchange performed on January 17, 2002, was \$2,775.

16 | Q. Pending the implementation of an alternative solution for the 1,1-DCE,  
17 | does the County plan to continue funding the filtration system?

18 | A. Yes.

19 | Q. Please state your understanding of the County's proposal to have  
20 | Sunshine provide service to an area currently outside the utility's territory.

21 | A. Marion County has worked with the utility and the FDEP on a plan to  
22 | expand the public drinking water system around the Landfill. The County has  
23 | concerns with the private drinking wells in this area where test results  
24 | reflect the presence of some chemical compounds. These tested levels of  
25 | contamination have not exceeded the MCL for compounds, but leaves the County

1 | very concerned about the long-term viability of these wells. The contaminants  
2 | of concern include nitrate, cadmium, lead, 1,1-DCE, vinyl chloride,  
3 | chloromethane, and other secondary drinking water standard compounds. The  
4 | County would like to see the existing Lakeview Hills well replaced and the  
5 | public water distribution system expanded to provide safe drinking water to  
6 | the 37 private homes with questionable wells.

7 | Q. Does the County plan to provide any financial assistance for Sunshine  
8 | to serve this area?

9 | A. County staff had prepared and supported the approval of an agenda item  
10 | to consider the funding of \$175,000 at the MCBCC May 7, 2002 meeting. This  
11 | agenda item was pulled when Sunshine informed the County that the utility's  
12 | proposed South Marion Regional Water System project was put on hold. The  
13 | total County proposed funding was based upon a projection of costs prepared  
14 | by H.W. Barrineau and Associates, Inc. (Sunshine's consulting engineers) to  
15 | directly connect the homes identified as a concern to Lakeview Hills water  
16 | system and provide a new potable water supply source. Any funding provided  
17 | by the County will require the approval of the MCBCC. County staff has placed  
18 | funding into the MCSWD's proposed budget for the fiscal year 2002-2003  
19 | (October 1, 2002 - September 30, 2003) to continue water quality testing and  
20 | filter maintenance. As of this date, the budget has not been approved by the  
21 | MCBCC.

22 | Q. Does this conclude your testimony?

23 | A. Yes, it does.

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