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REPLY TO ALTAMONTE SPRINGS

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD

October 28, 2004

HAND DELIVERY

RECEIVED - FPCO
OCT 28 AM 10:33
COMMISSION
CLERK

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 030444-WS; Application by Bayside Utility Services, Inc., for Rate Increase in Bay County, Florida
Our File No.: 30057.57

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and seven (7) copies of the following:

- 1. Corrected Direct Testimony of Patrick C. Flynn and replacement Exhibit cover sheets.

CMP _____
COM 3 + orig 2 transcript Replacement Detailed System Map (replaces map attached to Direct Testimony of Patrick C. Flynn as Exhibit (PCF-2)).
CTR _____

ECR 1 set + map 3. Corrected Direct Testimony of Frank Seidman and replacement Exhibit cover sheets.
GCL 1 set

OPC 1 set
MMS _____ Application. The corrections accurately reflect the cross-references to the Exhibits to the

RCA _____

SCR _____

SEC 1 (not map)

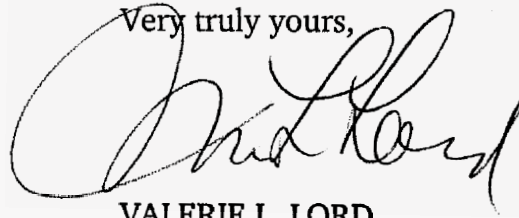
OTH _____

DT of Flynn - 11643-04
EC of Flynn - 11644-04
Map - 11645-04
DT of Seidman - 11646-04
EC of Seidman - 11647-04

Ms. Blanca Bayo
October 27, 2004
Page 2

Should you have any questions concerning the enclosed, please do not hesitate to give me a call.

Very truly yours,



VALERIE L. LORD
For the Firm

VLL/mp
Enclosures

cc: Stephen C. Reilly, Associate Public Counsel (w/enclosures) (via Federal Express)
Ralph Jaeger, Esquire (w/enclosures) (via Hand Delivery on 10/28/04)
W. C. Henry, Esquire (w/enclosures) (via Federal Express)
Mr. Steven M. Lubertozzi (w/enclosures)
Mr. Patrick C. Flynn (w/enclosures)

M:\1 ALTAMONTE\UTILITIES INC\BAYSIDE\(.57) BAYSIDE 2003 RATE CASE\PSC Clerk 028 (Exhibits to Direct TM).ltr.wpd

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030444-WS

BAYSIDE UTILITY SERVICES, INC.

DIRECT TESTIMONY OF

PATRICK C. FLYNN

REGARDING THE APPLICATION FOR
INCREASE IN WATER AND WASTEWATER
RATES AND CHARGES
IN
BAY COUNTY, FLORIDA

DOCUMENT NUMBER-DATE

11643 OCT 28 8

FPSC-COMMISSION CLERK

1 DIRECT TESTIMONY OF PATRICK C. FLYNN
2 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
3 REGARDING THE APPLICATION FOR INCREASE
4 IN WATER AND WASTEWATER RATES AND CHARGES
5 IN BAY COUNTY, FLORIDA
6 BY BAYSIDE UTILITY SERVICES, INC.
7 DOCKET NO. 030444-WS

8 **Q. Please state your name and business address.**

9 A. My name is Patrick C. Flynn and my business address is 200
10 Weathersfield Avenue, Altamonte Springs, Florida.

11 **Q. By whom are you employed and in what capacity?**

12 A. I am employed by Utilities, Inc., the company which owns 100% of the
13 stock of Bayside Utility Services, Inc. (*Bayside*). Presently, I serve as
14 Regional Director of Operations and am responsible for the
15 administration and operation of all water and sewer systems in Florida
16 owned by subsidiaries of Utilities, Inc.

17 **Q. Please summarize your background and experience in the industry
18 of providing water and sewer service to the public.**

19 A. I am a graduate of the University of Virginia with a B. A. degree in
20 Environmental Science. I first became involved in the industry with my
21 employment with the Washington Suburban Sanitary Commission in
22 1979. In 1982, I was hired by an investor-owned water and wastewater

1 utility on Hilton Head Island, South Carolina, serving as the Vice
2 President and General Manager from 1984 to 1995.

3 In 1995, I was hired by Utilities, Inc. to serve as Project Manager in the
4 Louisiana regional office. Since 1999, I have been a Regional Operations
5 Manager in Florida where I was initially responsible for the day to day
6 utility operations of some of the Utilities, Inc. affiliates in central Florida.
7 Since 2000, I have supervised the operations and capital projects of all
8 Utilities, Inc. affiliates located in north, west, and south Florida.
9 Effective June 2003 I became the Regional Director in Florida with
10 responsibility over all of the affiliates located in Florida.

11 I hold the highest level of operator certification in both water and
12 wastewater in South Carolina. In addition, I hold a Class B water
13 certificate in Florida. I have attended numerous seminars, workshops,
14 conferences, classes and schools covering a wide spectrum of water and
15 wastewater related topics.

16 **Q. What is the purpose of your testimony in this proceeding?**

17 A. I have come to the Commission to sponsor the additional engineering
18 information and maps attached to the Financial, Rate and Engineering
19 Minimum Filing Requirements (*MFRs*) filed by Bayside, and which are
20 attached as Exhibit 1 to Bayside's Application for an increase in water
21 and wastewater rates, previously introduced as Exhibit "1" by Mr.
22 Seidman [Exhibit (FS-1 _____)], and explain the pro forma adjustments.

1 My testimony will begin with an explanation to the Commission of
2 Bayside's philosophy on providing customer service. Then, I will discuss
3 improvements made to the systems.

4 **Q. Please explain Bayside's philosophy in treating and serving its**
5 **customers.**

6 A. Our office staff and field personnel take great pride in providing quality
7 service to our customers. In many instances, we adapt our procedures to
8 allow for individual needs and requirements of our customers.

9 Customer calls, regardless of their nature, come into the branch office in
10 Altamonte Springs. Customers located outside of the Central Florida area
11 are furnished with a toll free number on each utility bill. During office
12 hours, a customer service representative answers each call. If there is a
13 problem related to field operations, a computer generated service order
14 is issued and directed to the operations staff person who is responsible for
15 that particular system. The service orders are then relayed to the operator
16 by means of a fax machine or through radio communications.

17 Depending on the nature of the service order, the operator will include the
18 service order in his daily schedule and resolve it appropriately.
19 Emergencies – such as water leaks or water quality complaints – always
20 require immediate attention. After the problem is rectified, the operator
21 relays the information to the customer service representative, and the
22 resolution is entered into the billing system as a permanent record of the

1 call.

2 Billing inquiries are handled much in the same way as service calls. All
3 inquiries are recorded on the customer's account by entering the
4 information into the billing system. Any billing inquiries or complaints
5 are resolved as soon as possible.

6 Customers using our toll free number after office hours are forwarded to
7 our answering service. There is an operator assigned to be "on call"
8 during the hours the office is closed. If an emergency should arise, the
9 on-call operator will handle the situation.

10 This is just a brief summary of our billing and customer service
11 procedures. As a company, we are never completely satisfied with
12 customer service and, therefore, continue to strive to improve in every
13 facet of service. Our ongoing goal is to be the best water utility in the
14 State of Florida. We believe that we are well on our way to achieving
15 that goal.

16 **Q. Is the Bayside system presently in compliance with the Department**
17 **of Environmental Protection's rules and regulations?**

18 A. Yes. At the present time, there are no known compliance problems with
19 the Bayside system.

20 **Q. Were any of the Exhibits to the Application for Increase in Rates**
21 **prepared by you or under your supervision?**

22 A. Yes. The Additional Engineering Information and maps required by

1 Commission Rule 25-30.440, which are attached as Exhibit "4" to the
2 Application for Increase in Rates, were prepared under my supervision
3 and are true and correct. Exhibit (PCF-1) ___ Although obviously I did
4 not prepare the detailed system maps which are attached as Exhibit "5"
5 to the Application for Increase in Rates, they are business records which
6 are under my control. Exhibit (PCF-2) ___ In addition, I, or personnel
7 under my supervision, provided the input utilized by Mr. Seidman in
8 preparing the Engineering section of the MFRs.

9 **Q. Please discuss the pro forma adjustments.**

10 A. There are a number of these adjustments and I discuss them below:

11 1. LIFT STATION IMPROVEMENTS, SEWER, \$86,000:

12 Estimated completion date: December, 2004.

13 Description: Rehabilitation of each of the three (3) existing lift
14 stations serving the Bayside MHP collection system as follows:

15 Tiki Bar Station #1: Demolish dilapidated pump house building.
16 Install new riser pipes, isolation valves, check valves, valve vault,
17 emergency pump out connection, and electrical control panel and
18 components. Construct wet well lid and install lockable hatch
19 cover. Construct perimeter fencing around station that presently
20 has none. Pumping capacity will remain the same.

21 Middle Station #2: Replace entrance door and roof. Install
22 second pump, riser pipes, isolation valves, check valves,

1 emergency pump around connection and valve vault. Replace
2 electrical controls and components and control panel (currently
3 set up as simplex station). Install lockable wet well hatch cover.
4 East Station #3: Install new riser pipes, isolation valves, check
5 valves, emergency pump around connection, and valve vault.
6 Replace electrical components and control panel. Install lockable
7 wet well hatch cover. Pumping capacity will remain the same.
8 Justification: The Tiki Bar pump house building is a termite
9 eaten wooden shed and is beyond its service life. A pump house
10 is not needed at this location once a new lockable lid and hatch
11 cover well secure the wet. Perimeter fencing will be installed to
12 reduce the potential for unauthorized entrance. The Middle
13 Station entrance door and roof are rotten and need to be replaced.
14 The rest of the building needs only minor aesthetic improvements.
15 The East station is in good condition and needs only minor
16 aesthetic improvements.
17 New riser pipes are needed to replace the existing flex hose
18 discharge conduit on all three stations. New isolation valves,
19 check valves, and emergency pump around connections are
20 necessary to bring each station up to UI specifications. The
21 Middle Station is presently operating as a simplex station (one
22 pump). A second pump with associated components was

1 installed recently to meet FDEP regulations governing lift station
2 design. The electrical components are not in conformance with
3 National Electric Code and raise safety and reliability concerns.
4 None of the lift stations is properly grounded and all are subject
5 to electrical faults. Improving the electrical components will
6 reduce the frequency of after hour dispatch calls, emergency
7 repairs, and customer complaints from high level alarms.

8 2. AUTOMATIC METER READING EQUIPMENT, WATER,
9 \$55,000:

10 Estimated completion date: Rescheduled for completion in 2006.

11 3. WATER MAIN IMPROVEMENTS, WATER, \$25,000:

12 Estimated completion date: December, 2004.

13 Description: Install piping and valves to connect water mains
14 between Big Daddy Drive, Sunrise Drive and Linda Lane.

15 Justification: Reduce the impact of maintenance activities to the
16 customers by installing adequate isolation valves and loop
17 connections in the park. The existing distribution system lacks
18 sufficient valves to perform this function. This project will not
19 affect the size of the master meter connection, and therefore, there
20 will be no increase in system capacity.

21 4. IMPROVEMENTS TO GRAVITY SEWER MAINS/REPAIR
22 MANHOLES, SEWER, \$68,000:

1 Estimated completion date: December, 2004.

2 Description: After flow is bypassed, 11 manhole invert channels
3 will be reshaped and grouted with concrete. Any voids in the
4 interior surface will be filled with concrete grout. The interior of
5 the manhole is to be coated with an approved coal tar epoxy
6 coating. Manhole rings and covers are to be brought to grade if
7 required. This project will not increase system capacity.

8 Justification: Rehabilitating the manhole invert channels will
9 allow for proper flow velocity through each manhole and will
10 reduce the frequency of sewer blockages due to grease and
11 sediment accumulation in the channel. Grouting and sealing the
12 interior of the manhole will reduce groundwater infiltration and
13 protect the ground surface from subsidence and potential costly
14 repairs. The MHP is located adjacent to the East Bay and finger
15 canals cause the water table to be elevated at all times.

16 5. IMPROVEMENTS TO THE SANITARY SEWER LATERALS,
17 SEWER, \$90,000:

18 Estimated completion date: December 31, 2004.

19 Description: Upsize existing 4" sanitary sewer laterals to 6" and
20 8" sewer laterals to minimize backups due to multiple
21 connections on the existing undersized 4" laterals.

22 Justification: The piping reconfiguration design will clarify and

1 identify ownership of the sewer laterals where they cross property
2 lines. In some areas of Bayside, there are as many as seven 4"
3 sewer services all tied into a single 4" transmission lateral. This
4 has been the source of numerous backups and after-hours
5 response expense due to the undersized 4" transmission laterals
6 becoming clogged. These lateral connections also cross property
7 boundaries and cloud ownership and maintenance responsibilities.
8 By modifying the piping layout so that the flow through any 4"
9 pipe is limited to a single home's flow and upsizing the remaining
10 piping to wither 6" or 8" size, depending on the number of
11 connections, sewer backups will be eliminated. Once the
12 proposed improvements are made, Bayside would accept
13 responsibility for operation and maintenance of sewer services up
14 to the point of connection throughout the MHP.

15 **Q. Does this conclude your direct testimony?** 

16 **A.** Yes it does.

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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DOCKET NO. 030444-WS

3 BAYSIDE UTILITY SERVICES, INC.

4 DIRECT TESTIMONY OF

5 **PATRICK C. FLYNN**

6 REGARDING THE APPLICATION FOR

7 INCREASE IN WATER AND WASTEWATER

8 RATES AND CHARGES

9 IN

10 BAY COUNTY, FLORIDA

11 **EXHIBITS TO**

12 **DIRECT TESTIMONY OF**

13 **PATRICK C. FLYNN**

14

15 Exhibit ___ (PCF-1) Additional Engineering Information and Maps required by

16 Rule 25-30.440, F.A.C. (Exhibit 4 to Application)

17 Exhibit ___ (PCF-2) Detailed System Maps (Exhibit 5 to Application)

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