

ORIGINAL



Suite 1200
106 East College Avenue
Tallahassee, FL 32301
www.akerman.com
850 224 9634 tel 850 222 0103 fax

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July 2, 2007

VIA HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED-FPSC
07 JUL -3 AM 9:25
COMMISSION
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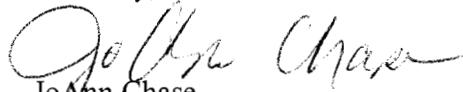
Re: Docket No. 050862-WU - Application for Staff-Assisted Rate Case in Marion County by County-Wide Utility Company, Inc.

Dear Ms. Cole:

Enclosed is a letter with two attachments from Jeff Streitmatter, III, P.E. from Kimley-Horn and Associates, Inc. to be filed in the above-referenced docket file. By copy of this letter, I am providing copies of the letter and attachments to the PSC staff.

If you need anything further, please do not hesitate to contact me.

Sincerely,


JoAnn Chase

Enclosures

cc: Rosanne Gervasi
Cheryl Bulecza-Banks
Troy Rendell
Gerald Edwards
Shannon Hudson

{TL130603;1}

DOCUMENT NUMBER-DATE
05563 JUL -3 07
FPSC-COMMISSION CLERK



Kimley-Horn
and Associates, Inc.

June 29, 2007

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Suite 500
2601 Cattlemen Road
Sarasota, Florida
34232

Mr. Dirk Leeward
County Wide Utility Co. Inc.
P.O. Box 1476
Ocala, Florida 34473

Re: County Wide Utility Company, Inc.
Cost/Benefit Analysis of Water Supply Alternatives

Ref: 042913001

Dear Mr. Leeward:

As you are aware, Kimley-Horn and Associates, Inc. (KHA) prepared a report entitled "Cost/Benefit Analysis of Water Supply Alternatives" dated October 2006, for the County Wide Utility Company, Inc. (CWU). As a follow up to that report, you have requested that KHA provide assistance in the current utility rate review with the Public Service Commission (PSC). As you know, the professional engineer that had the oversight of the preparation of that report, John Potts, is currently on medical leave and is therefore unable to continue to provide his assistance in this matter. As a professional engineer with KHA licensed in the state of Florida, I have reviewed the information and am prepared to assist you in questions that may arise associated with the engineering report prepared by KHA.

Based on our discussions, it is my understanding that the PSC has indicated that, while they agree that connecting to the City of Ocala was the best option, they do not agree that it was best for the existing customers of CWU. Based on my investigation of this matter, it is clear that connecting to the City of Ocala was the best option for the existing customers. While the merits of this option are detailed in our report referenced above, there are several points that could be expanded upon to address the PSC questions.

1. The existing wells that supplied water to CWU do not meet current setback distances to on-site sewer treatment and disposal Systems (OSTDS). Florida Administrative Code (FAC) section 62-555.312(1) requires that wells serving systems similar to CWU require a 200' setback distance to an OSTDS. The existing wells are located within a mobile home park where all the units have OSTDS. Based on observations during my field visit, the existing wells are surrounded by

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TEL 941 922 8187
FAX 941 922 2351



these systems and do not meet the required setback distance. Please refer to the attached map showing the location of the wells in proximity to the mobile homes. While the existing wells were constructed prior to the referenced regulation taking affect and are therefore "grandfathered in", any new or replacement wells would fall under the requirements of this regulation. This would mean that an alternative site(s) for the wells would have had to be found in a location outside the mobile home park that would meet the setback requirements.

2. Based on my field observation of the system, the hydro-pneumatic tank that previously served this system was filled to the level of the access-way with course sand. It has been reported by the operator that sand has been entering the system over the past three to four years. Also, as I toured the service area, it was observed that sand screens have been installed on individual connections at a number of locations throughout the distribution system. The issue of sand entering the distribution system would have needed to be dealt with either through rehabilitation or replacement of the wells. Other private systems in this area have experienced similar problems. The Marion Landings water system to the south and the Fairfield Village water system to the north both have had a history of problems with their wells and made several drilling attempts to find suitable water quality. The proximity of these systems to the CWU service area is shown on the attached aerial location map. The lesson learned from the previous history of these surrounding systems is that the water quality and quantity can vary dramatically from site to site in this area. This further confirms that pursuing a path to rehabilitate or replace the existing wells would have had an uncertain outcome. Especially when comparing this option to the certainty of the option of connecting to the City of Ocala water system.
3. The Marion County Comprehensive Plan sets forth policies to eliminate smaller, private, water systems and connect customers of these systems to regional or sub-regional systems. This can be found in policies throughout the Potable Water sub-Element of the comprehensive plan including Policy 1.1, 2.2, 2.3, 4.0 and 4.5. In the case of CWU, the City of Ocala water system had been expanded over the years to within 400' of the CWU franchise boundary. This is well within any reasonable distance to require connection to the City's system, which would have been consistent with the County's Comprehensive plan policies. The attached map shows the location of the master meter assembly constructed at the point of connection to the City of Ocala water system. Considering the issues with the wells as stated above, should CWU have pursued a plan that required seeking permits and approvals to drill new wells to replace the existing wells, the County's Comprehensive plan policies would have needed to be addressed.



I trust the above information will be helpful in addressing the concerns of the PSC. It should be noted that I have not tried to include all of the benefits to connecting to the City of Ocala system as outlined in our previous report. For example, items such as fire protection, system reliability, looping of lines and cost are all benefits of the pipeline that was constructed to connect to the City's system.

In conclusion, it is my opinion based on the information stated above, review of previous reports and field observations, that it was clearly the best option, and in the best interest of both the existing and future customers of CWU, to have connected this system to the City of Ocala water system. Further, it would have been imprudent to have implemented this option and not include the existing customers, leaving them to deal with the cost associated with the issues stated above on their own.

Should you have any questions or need any additional information, please do not hesitate to give me a call

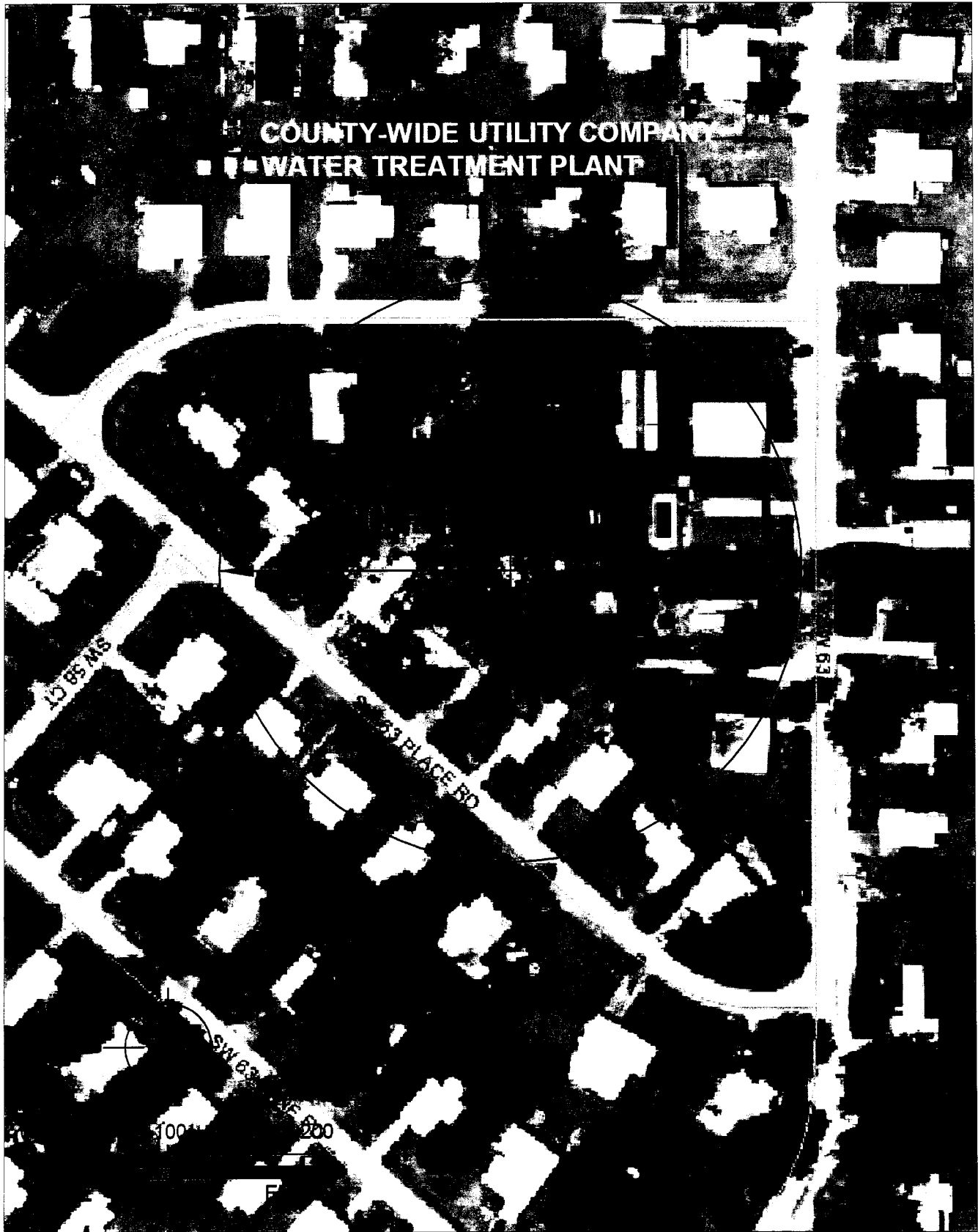
Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Jeff Streitmatter, III".

Jeff Streitmatter, III, P.E

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County-Wide Utility Company
Water Treatment Plant

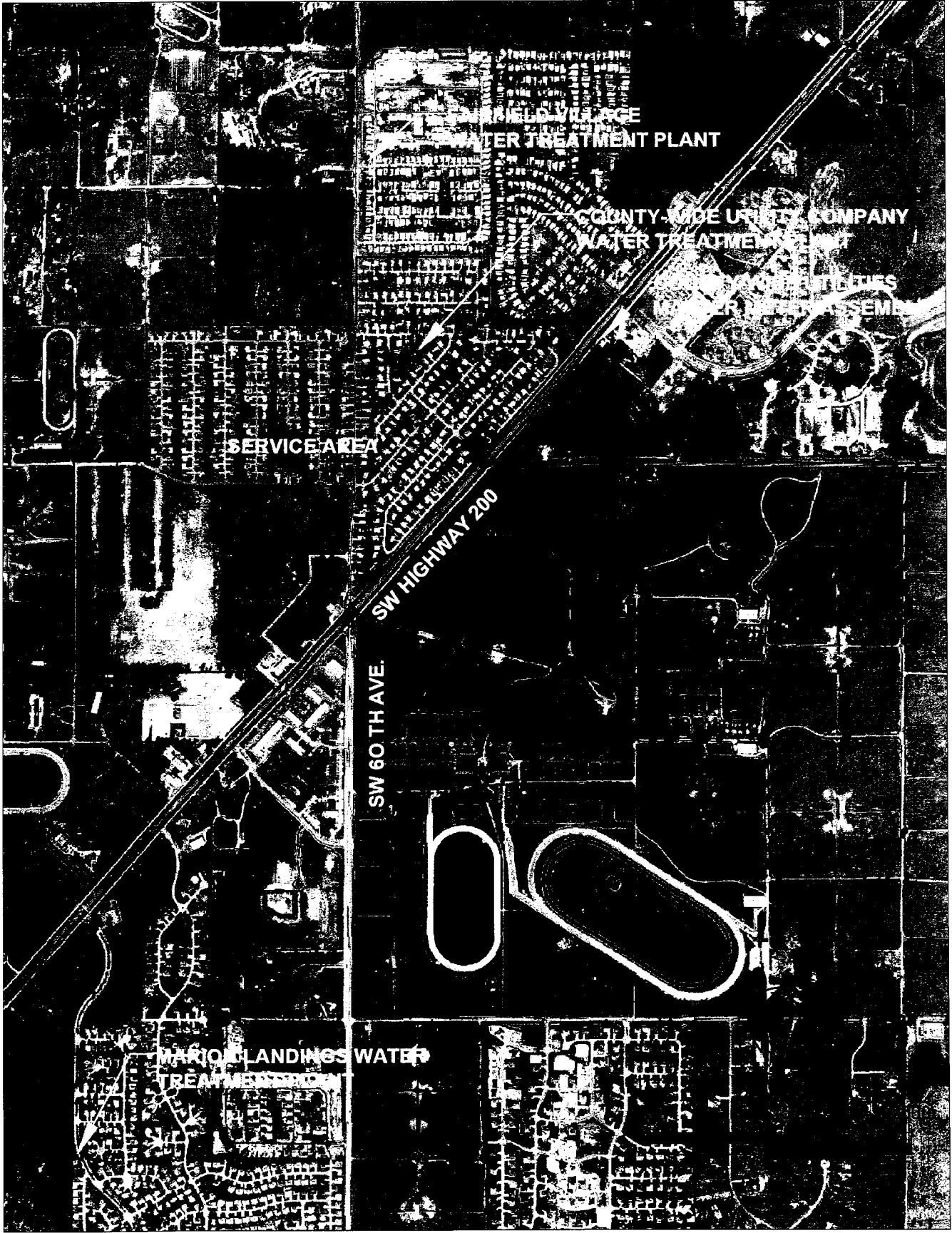
SCALE	AS NOTED	DESIGN ENGINEER:	Jeff Streitmatter
DESIGNED BY	JS	FLORIDA P.E. LICENSE NUMBER:	46711
DRAWN BY	JMF	DATE:	
CHECKED BY	JS		

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 2601 CATTLEMAN ROAD, SUITE 500, SARASOTA, FL 34232
 PHONE: 941-922-8187 FAX: 941-922-2351
 WWW.KIMLEY-HORN.COM CA 0000696

DATE	06/27/2007
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Drawing name: H:\042913.001\GIS\Maps\Aerial Location Map.dwg Layout:2 Jun 28, 2007 10:25am by: jimmy.tellis

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 PHONE: 841-922-9187 FAX: 841-922-2351
 WWW.KIMLEY-HORN.COM CA 0000895

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Aerial Location Map

DESIGN ENGINEER:	JEFF STREITMATTER
FLORIDA P.E. LICENSE NUMBER:	46711
DATE:	

SHEET NUMBER	1 of 1
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