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DOCKET NO.: 060368-WS - Application for increase in water and wastewater rates in Alachua, Brevard, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia and Washington Counties by Aqua Utilities Florida, Inc.

WITNESS: Direct Testimony of Jerry E. Nichols, Sr.,
Appearing on Behalf of the Staff of the Florida Public Service Commission.

DATE FILED: August 21, 2007

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FPSC-COMMISSION CLERK

DIRECT TESTIMONY OF JERRY E. NICHOLS

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2 Q. Please state your name and business address.

3 A. Jerry E. Nichols, Sr., Florida Department of Environmental Protection, 13051 North
4 Telecom Parkway , Tampa, Florida 33637.

5 Q. Please state a brief description of your educational background and experience.

6 A. I have a Bachelor of Science degree from George Washington University and twenty
7 years of experience in the environmental field.

8 Q. By whom are you presently employed?

9 A. Florida Department of Environmental Protection (FDEP)

10 Q. How long have you been employed with the FDEP and in what capacity?

11 A. Four years and five months as an Environmental Specialist.

12 Q. What are your general responsibilities at the FDEP?

13 A. Conducting inspections of domestic wastewater facilities in Pasco County.

14 Q. Are you familiar with Aqua Utilities Florida, Inc. (utility) wastewater systems in
15 Marion, Pasco, Polk and Sumter Counties, particularly the wastewater treatment
16 systems in Pasco County, including Jasmine Lakes, Palm Terrace, and Zephyr Shores,
17 the wastewater treatment systems in Polk County, including Lake Gibson Estates,
18 Rosalie Oaks and Village Water, particularly the wastewater treatment system in
19 Sumter County, including The Woods.

20 A. Yes, but only the Jasmine Lakes and Palm Terrace Gardens domestic wastewater
21 facilities, in Pasco County.

22 Q. Does the utility have appropriate current permits from the FDEP?

23 A. Yes, the Jasmine Lake and Palm Terrace Gardens facilities have the appropriate
24 permits for domestic wastewater.

25

- 1 Q. Do all the systems have a valid operating permit?
- 2 A. I can't speak to all facilities, but Yes, the Jasmine Lake and Palm Terrace Gardens
3 have valid domestic wastewater permits.
- 4 Q. Please state the issuance date and the expiration date of any construction permits.
- 5 A. The Jasmine Lake domestic wastewater treatment permit was issued on August 30,
6 2006 and the Palm Terrace Gardens domestic wastewater treatment permit was issued
7 on March 18, 2004 Neither the Jasmine Lake nor Palm Terrace Gardens have any
8 construction authorized in their current permits.
- 9 Q. Is the utility in compliance with its permits?
- 10 A. No, the plants are significantly out of compliance with their permits.
11 The Department issued Warning Letter No. WL07-0002DW51SWD, for Jasmine
12 Lakes WWTF, Facility ID No. FLA012768, Pasco County and Warning Letter No.
13 WL07-0006DW51SWD, Palm Terrace Gardens WWTF, Facility ID No. FLA012773,
14 Pasco County. The Jasmine Lakes WWTF was cited for improper operation of the
15 four percolation ponds and impacting ground water. The Palm Terrace Gardens
16 WWTF was cited for improper operation of the two percolation ponds, slow-rate
17 restricted public access sprayfield systems, effluent quality and impacting ground
18 water.
- 19 Q. Are the wastewater collection, treatment and disposal facilities adequate to serve
20 present customers based on permitted capacity?
- 21 A. No. The Jasmine Lakes and Palm Terrace Gardens domestic wastewater facilities both
22 have failing effluent disposal systems.
- 23 Q. Has FDEP required the utility to take any action so as to minimize possible adverse
24 effects resulting from odors, noise, aerosol drift or lighting?
- 25 A. No.

- 1 Q. Do pump stations and lift stations meet FDEP requirements with respect to location,
2 reliability and safety?
- 3 A. Yes.
- 4 Q. Does the utility have certified operators as required by Chapter 62-602, Florida
5 Administrative Code?
- 6 A. Yes.
- 7 Q. Is the overall maintenance of the treatment, collection, and disposal facilities
8 satisfactory?
- 9 A. No. The Jasmine Lakes and Palm Terrace Gardens domestic wastewater facilities both
10 will require an expansion of their effluent disposal system or going offline to the Pasco
11 County Regional Collection System.
- 12 Q. Does the utility meet all applicable technology based effluent limitations (TBELS) and
13 water quality based effluent limitations (WQBELS)?
- 14 A. Yes.
- 15 Q. Does the facility meet the effluent disposal requirements of Sections 62-611 and 62-
16 600.530, Florida Administrative Code?
- 17 A. No. The Jasmine Lakes wastewater treatment facility has exceeded the ground water
18 standards for sodium, chloride and total dissolved solids. The Palm Terrace Gardens
19 wastewater treatment facility has exceeded the ground water standards for nitrate, total
20 dissolved solids and fecal coliform.
- 21 Q. Are the collection, treatment and disposal facilities in compliance with all other
22 provisions of Title 62, Florida Administrative Code, not previously mentioned?
- 23 A. No. The Palm Terrace Gardens wastewater treatment facility has exceeded a final
24 compliance date by 90 days or more. Section VI. Schedules, required the operator to
25 establish a percolation and evaporation resting and rotating schedule by June 1, 2004.

1 To date, the resting and rotation schedule has not been established. The February 2006
2 DMR's fecal coliform of 1300 CFU/100mL exceeded the single monthly maximum
3 permit limit value of 800 CFU/100 mL. The December 2006 DMR's total suspended
4 solids (TSS) maximum monthly average of 41.5 mg/L exceeded the monthly average
5 maximum permit limit value of 30 mg/L.

6 Q. Has the utility been the subject of any FDEP enforcement action within the past two
7 years?

8 A. No.

9 Q. Do you have anything further to add?

10 A. No, I do not.

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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Alachua, Brevard, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

DOCKET NO. 060368-WS

DATED: AUGUST 21, 2007

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the DIRECT TESTIMONY OF JERRY E. NICHOLS, SR. has been served by U.S. Mail to Kenneth A. Hoffman and Marsha E. Rule, Esquires, Rutledge, Ecenia, Purnell & Hoffman, P. A., P.O. Box 551, Tallahassee, FL 32302-0551, on behalf of AQUA UTILITIES FLORIDA, INC., and that a true and correct copy thereof has been furnished to the following by U. S. Mail, this 21st day of August, 2007:

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c/o The Florida Legislature
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