

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc. DOCKET NO. 080121-WS
FILED: October 27, 2008

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of Richard Lott, P.G., P.E., on behalf of the Florida Public Service Commission, has been furnished by ~~U.S. Mail~~ on this 27th day of October, 2008, to the following.

Hand Delivery

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DOCUMENT NUMBER-DATE

10140 OCT 27 8

FPSC-COMMISSION CLERK

DOCKET NO.: 080121-WS - Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, 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 Richard Lott, P.G., P.E., Florida Department of Environmental Protection, Central District
Appearing on Behalf of the Staff of the Florida Public Service Commission.

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1 DIRECT TESTIMONY OF RICHARD LOTT, P.G., P.E.

2 Q. Please state your name and business address.

3 A. Richard Shackford Lott, Florida Department of Environmental Protection, 3319
4 Maguire Boulevard, Orlando, Florida 32803.

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

6 A. I received a B.A. in Geology from the University of South Florida in 1979. I received
7 an M.S. in Environmental Science (Engineering) from the University of Central
8 Florida in 1990. I have worked for the Florida Department of Environmental
9 Protection (FDEP) for 14 years. From December 1993 through September 1998, I was
10 a permit reviewer for stormwater applications. From September 1998 to the present, I
11 have worked in the drinking water program.

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

13 A. I am responsible for administering the permitting responsibilities of the Drinking
14 Water Program in accordance with the Clean Water Act and Florida Statutes for the
15 Central District; reviewing and authorizing permits for water main extensions and
16 connections; supervising the preparation of consent orders and other compliance
17 violation documents as they relate to permitting, and representing FDEP at public
18 meetings.

19 Q. Are you familiar with the Aqua Utilities Florida, Inc. (Aqua) water systems in Brevard
20 (Kingswood and Oakwood), Lake (48 Estates, Carlton Village, East Lake Harris, Fern
21 Terrace, Friendly Center, Grand Terrace, Haines Creek, Hobby Hills, Holiday Haven,
22 Imperial Terrace, Kings Cove, Morningview, Palms MHP, Picciola Island, Piney
23 Woods/Spring Lake, Quail Ridge, Ravenswood, Silver Lake Estates, Skycrest, Stone
24 Mountain, Summit Chase, Valencia Terrace and Western Shores), Marion (49th Street,
25 Belleair, Belleview Hills Estates, Belleview Hills, Chappell Hills, Fairfax Hills, Hawks

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1 Point, Marion Hills, Ocala Oaks, West View, Woodberry Forest, and Venetian
2 Village), Orange (Tangerine), and Seminole (Chuluota and Harmony Homes), and
3 Volusia (Jungle Den and Tomoka) Counties?

4 A. Yes. I am familiar with these water systems via review of permit applications and
5 other Department records, except for the system in Volusia County. The Volusia
6 County Health Department administers the Drinking Water Program in that county.

7 Q. Does Aqua have any current construction permits from the FDEP?

8 A. Yes. Of the 42 permits issued to Aqua during the previous 5 years, 14 have not been
9 totally cleared for service by the FDEP and are still active. Thirteen of the permits are
10 for water distribution system (main extension) permits. The only Water Construction
11 permit that is still active is for the Valencia Terrace Plant which was issued on
12 December 27, 2007. This permit is for a new well to replace well #1, a change from
13 gaseous chlorine to sodium hypochlorite, a new chlorine residual analyzer, and a chart
14 recorder.

15 Q. Are the utility's treatment facilities and distribution systems sufficient to serve its
16 present customers?

17 A. According to Rule 62-555.350(4), Florida Administrative Code (F.A.C), no supplier of
18 water may operate any drinking water treatment plant at a capacity greater than the
19 plant's permitted capacity except with the FDEP's prior approval. According to
20 FDEP's records, the Belleair and Ocala Oaks water treatment plants in Marion County
21 each had maximum daily flows that exceeded the permitted capacity of the plants
22 during the previous three years. The letter regarding the Belleair water system was
23 issued on October 3, 2008. Aqua was notified on October 21, 2008, regarding the
24 Ocala Oaks water system. In addition, according to Rule 62-555.348, F.A.C.,
25 community public water systems that are designed to serve 350 or more persons or

1 have 150 or more service connections, must submit a capacity analysis report within
2 six months after the total maximum day quantity of finished water of the system
3 exceeds 75 percent of the total permitted maximum day operating capacity of the
4 plants. Aqua was notified on October 21, 2008. The Summit Chase water system in
5 Lake County exceeded 75 percent of the permitted capacity of the water treatment
6 plants within the previous 36 months, and Aqua should have submitted a Capacity
7 Analysis Report as required in Rule 62-555.348, F.A.C. Aqua was notified by letter on
8 October 3, 2008.

9 Q. Are any of the wells that supply water to the water treatment plants designated by the
10 FDEP as "microbially contaminated or susceptible to microbial contamination?"

11 A. Yes, two systems, the Carlton Village and Valencia Terrace water systems in Lake
12 County have wells that the FDEP has determined to be microbially contaminated or
13 susceptible to microbial contamination, in accordance with Rule 62-555.315(6)(f),
14 F.A.C. According to Rule 62-555.320(12)(b), F.A.C., systems using groundwater that
15 are not under the influence of surface water must provide calculations showing that,
16 based on the type of disinfection and the time the disinfectant is in contact with the
17 water before reaching the first customer, the existing treatment reliably inactivates or
18 removes at least 99.99% of viruses. On October 5, 2007, FDEP acknowledged receipt
19 and approval of Aqua's calculations for the Valencia Terrace water system. Aqua
20 provided a proposal to FDEP for the Carlton Village water system; however, FDEP
21 has not yet approved the corrective action. A request for additional information was
22 sent to Aqua on September 16, 2008.

23 Q. Do you have anything further to add?

24 A. I have nothing further to add.

25