

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Initiation of show cause) DOCKET NO. 930822-WU
proceedings against TERRA MAR) ORDER NO. PSC-95-0339-FOF-WU
VILLAGE (RIVER PARK) in Volusia) ISSUED: March 10, 1995
County for failure to provide)
adequate water service.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER PERMANENTLY SUSPENDING FINE AND CLOSING DOCKET

BY THE COMMISSION:

Terra Mar Village (Terra Mar or utility) is a Class C utility operating a reverse osmosis water treatment plant that serves a 319 lot adult mobile home park. Presently, there are 237 customers receiving water service from the utility.

On December 22, 1992, a Consent Agreement between the utility owner (Mr. Covington) and the Volusia County Public Health Unit (VCPHU) was signed concerning the water plant. This Consent Agreement included a time frame establishing deadlines to correct the water plant deficiencies. All deadlines associated with the Consent Agreement went unsatisfied, even after deadlines for certain events were modified to allow the utility more time.

On May 21, 1993, 177 persons served by the utility petitioned the Commission to require the utility to either supply its customers with potable water, or make monetary reimbursement to each customer for out-of-pocket expenses incurred while obtaining bottled water. As a result of this petition, we issued Order No. PSC-93-1414-FOF-WU, on September 29, 1993, which ordered Terra Mar to show cause why it should not be fined up to \$5,000 per day for failure to provide adequate water service to its customers.

On September 10, 1993, as a result of a foreclosure proceeding against the utility's owner, Circuit Court Judge William Johnson named Mr. Gerald Potts of Contemporary Property Management, Inc. as receiver. Pursuant to the Court Order Appointing Receiver, Mr.

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Potts was to provide maintenance and repairs. He was also ordered to comply with all government regulations and the Consent Agreement.

Subsequently, Mr. Potts contacted this Commission several times requesting that any fine be held in abeyance pending completion of the required improvements. Mr. Potts met with the VCPHU on several occasions which resulted in a new agreement being signed whereby he assumed all of the responsibilities agreed upon by Mr. Covington on December 22, 1993.

On March 8, 1994, we issued Order No. PSC-94-0265-FOF-WU, which set a fine of \$5,000 and suspended that fine for twelve months to allow Terra Mar to either satisfy the drinking water requirements imposed by the VCPHU and/or to interconnect with the City of Edgewater. Should the utility accomplish either proviso within the twelve month period, the fine was to be permanently suspended.

On July 15, 1994, Judge Johnson discharged Mr. Potts as the receiver, relieving him from all duties and obligations, and appointed Mr. Frank Uddo as successor Receiver. By August 9, 1994, the VCPHU received documentation verifying three (3) consecutive days of satisfactory chemical analysis for Chlorides and Total Dissolved Solids, whereby the "Bottled Water Notice," which had been effective since December 2, 1993, was removed. This became possible only after the two existing permeable membrane filters were chemically treated and back washed to improve efficiency and volume of flow.

On September 6, 1994, our engineer visited the utility to evaluate if the progress toward compliance was sufficient to satisfy the customers' complaint. While some progress had been made, it was not sufficient to close the complaint at that time.

The engineer's next visit was on November 28-30, 1994. Findings of the second visit were much better. Subsequent to the September visit, Mr. Uddo and his son had completely restructured the floorplan of the reverse osmosis treatment room. The two new filters, along with the existing filters had been fitted on an aluminum "A" frame stand and tied into the system with all new plumbing, valves and monitoring instruments. Since permeable filters require high levels of pressure on the inlet side of the filter, an additional booster pump was installed. The two new filters in combination with the old filters have more than doubled the output capacity of the plant, which resulted in the installation of an electrical relay system for the ground storage tank to prevent overflow.

ORDER NO. PSC-95-0339-FOF-WU
DOCKET NO. 930822-WU
PAGE 3

Terra Mar is currently in its peak season. Sufficient quantities of water are being produced now to supply each customer with more than their normal daily needs, and at a quality that meets or exceeds the requirements for safe drinking water. The utility has satisfied the initial parameters of the VCPHU's Consent Agreement. All remaining conditions of the agreement require several phases of construction to occur over a period of time to accommodate present and future maximum daily flow demand based on development potential.

Therefore, the \$5,000 fine imposed and suspended for twelve months against Terra Mar Village pursuant to Order No. PSC-94-0265-FOF-WU, shall be permanently suspended. Since the customers' original concerns as expressed in their petition have been satisfied, no further action is required and this docket shall be closed.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the \$5,000 fine imposed and suspended for twelve months by Order No. PSC-94-0265-FOF-WU, is now permanently suspended. Is it further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 10th day of March, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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MSN

ORDER NO. PSC-95-0339-FOF-WU
DOCKET NO. 930822-WU
PAGE 4

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.