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John K. Renke, III
Pasco

E. D. "Sonny" Vergara
Executive Director

Gene A. Heath
Assistant Executive Director

William S. Bilenky
General Counsel

January 23, 2002

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

Subject: Docket No. 010503-WU

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of the Southwest Florida Water Management District's late-filed Exhibit No. 18. This late-filed Exhibit was requested by Commissioner Michael A. Palecki, at the hearing on January 11, 2002.

Thank you for your attention to this matter. Please contact me at the District's Brooksville headquarters, at extension 4660, if you have any questions about this matter.

Sincerely,

Margaret M. Lytle

Margaret M. Lytle
Assistant General Counsel

*Placed with hearing exhibits
Jan*

MML
Enclosures

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

EXHIBIT NO. 18

WITNESS: John W. Parker

DESCRIPTION

Source of Pasco County Water and Effect on Aquifer

PROFFERING PARTY: Southwest Florida Water Management District

DOCKET No. 010503-WU

DOCUMENT NUMBER-DATE

00868 JAN 24 8

FPSC-COMMISSION CLERK



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January 23, 2002

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

Subject: Docket No. 010503-WU

Dear Commissioners:

It is the position of the Southwest Florida Water Management District that Aloha Utilities, Inc., must comply with the terms of Water Use Permit (WUP) No. 203182.004, and withdraw no more than 2,040,000 gallons per day (gpd) on an annual average day with a peak month day withdrawal quantity of 2,470,000 gpd. Any demand for water by Aloha's customers which cannot be met within the terms of Aloha's WUP needs to be addressed by use of an alternative source of water. The only alternative source of water which is currently and immediately available to Aloha is the purchase of water from Pasco County.

In the course of this docket, an issue has been raised concerning whether there is a benefit to the public and the environment in requiring Aloha to purchase water from Pasco County at this time. The District contends that there are benefits from requiring Aloha to immediately begin purchasing water.

Aloha's permitted withdrawals are not adequate to meet the present demand, and the existing condition of cumulative impacts prevents an increase in the withdrawals. Aloha's service area and wells are located within the Northern Tampa Bay Water Use Caution Area (NTB-WUCA), an area which has been delineated by rule to address ground water withdrawals that have resulted in lowering of lake levels, destruction or deterioration of wetlands, reduction in streamflow, and salt water intrusion. Aloha's withdrawals are also within what is informally referred to as the Northern Tampa Bay-Wellfield Impact Area (NTB-WIA), which is an area in which the most severe impacts have been identified that are caused by the cumulative effects of withdrawals in the Northern Tampa Bay region.

Pasco County is a member government of Tampa Bay Water, a regional water authority. Tampa Bay Water provides water to its members from many sources. Water which is presently distributed by Pasco County in the western portion of the County originates entirely from wells that are located in western Pasco County, including a system of widely dispersed wells operated by Pasco County and wells at two wellfields operated by Tampa Bay Water. Some of these wells are within the NTB-WIA, and some are outside of the NTB-WIA. The Water Use Permits which address these wells presently authorize total withdrawal quantities that are sufficient to meet the needs of the County and the additional demand of Aloha. The facilities allow some flexibility to rotate the production areas in western Pasco County to avoid and minimize environmental impacts by pumping from the wells that are located beyond the NTB-WIA.

The two wellfields in western Pasco County that are operated by Tampa Bay Water are two of the eleven Tampa Bay Water wellfields that are subject to an agreement to reduce the total withdrawals by 2003, and again by 2008, for the purpose of reducing environmental impacts. The extent to which production at the two wellfields in western Pasco County will be affected by the reductions is not yet known, but there are reasons to expect that the greatest proportion of reductions will occur at other wellfields where the greatest environmental impacts have been observed. Also, feasibility studies are underway for supplemental recharge projects at one of the wellfields serving western Pasco County, and these projects present the potential to reduce the impacts of withdrawals at the facility.

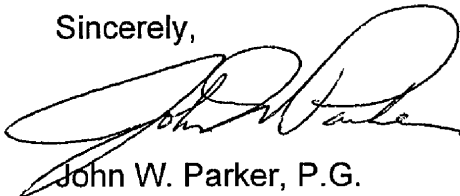
Tampa Bay water is obligated to meet the present and future water supply demands of its member governments, from water sources which are sustainable with acceptable environmental impacts. These obligations necessitate a series of new water supply sources and additional interconnections of existing facilities, in order to meet increasing demands while also reducing withdrawals at stressed wellfields. Thus far, the new source development progress has been dominantly toward sources other than ground water, such as desalination of seawater, and off-line storage reservoirs for capturing high stream flows. The two Tampa Bay Water wellfields in western Pasco County are not presently interconnected to the other regional facilities, although the potential future need for interconnection has been studied repeatedly. Interconnection is possible and perhaps inevitable in the future, if the water supply sources in western Pasco County become insufficient for the demands in western Pasco County. The regional water supply authority offers the greatest potential to meet the increasing demands for water from multiple regional sources which can be managed with acceptable environmental impacts. Therefore, there is an environmental benefit to requiring Aloha to purchase water from Pasco County instead of continuing to overpump its WUP. This benefit will continue to increase as Tampa Bay Water adds new alternative sources and system interconnections.

An increased influx of water to Aloha from Pasco County, or from any other external source, may eventually or immediately result in water compatibility and treatment compatibility issues. Another source of water is necessary, so these issues must be addressed inevitably, and it is the District's preference to do so as soon as possible.

Additionally, there is no question that Aloha is violating its WUP. Allowing Aloha to continue to overpump its permit would be to allow continuing illegal activity. Tampa Bay Water and Pasco County are currently in compliance with their WUPs, and have the ability to address Aloha's needs within the scope of their WUPs. The District believes there is a public benefit in requiring compliance with the law.

For the reasons stated herein, the District would not authorize any further delay in requiring Aloha to begin purchasing water from Pasco County.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Parker". The signature is fluid and cursive, with a large initial "J" and "P".

John W. Parker, P.G.
Water Use Manager