

Eric Fryson

From: Dana Rudolf [drudolf@sfflaw.com]
Sent: Thursday, November 29, 2012 1:57 PM
To: Filings@psc.state.fl.us
Cc: Martin Friedman; pcflynn@uiwater.com; Michael Springer; Michael Lawson; reilly.steve@leg.state.fl.us
Subject: Docket No. 110257 -WS; Application for increase in water and wastewater rates in Seminole County by Sanlando Utilities Corporation.

Attachments: PSC Clerk 26 (Response to 5th Data Request).ltr.pdf

- a) Martin S. Friedman, Esquire
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- b) Docket No. 110257-WS
Application for increase in water and wastewater rates in Seminole County by Sanlando Utilities Corporation.
- c) Sanlando Utilities Corporation
- d) 5 pages
- e) Response to Staff's Fifth Data Request

DOCUMENT NUMBER / DATE

07913 NOV 29 12

November 29, 2012

E-FILE

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 110257-WS - Application for Increase in Water and Wastewater Rates in
Seminole County by Sanlando Utilities Corporation
Our File No.: 30057.198

Dear Ms. Cole:

The following is in response to Staff's Fifth Data Request dated November 8, 2012,
filed in the above-referenced docket.

1. Audit Finding 24: Abandoned Well. Does the Utility's response mean that this property is above the line and included in base rates currently? Is it in the land balance right now, and has it been embedded in rates previously approved by the Commission? Please provide all supporting documentation.

Response: The Utility does not believe this property has ever been included in rate base, and thus no return is embedded in rates previously approved by the Commission. Although it is more difficult to prove the absence of some fact we did find some documentation that strongly implies that this property was donated by the related party developer and no cost was included in the original cost of the well.

Exhibit 1 is a Memo from July 7, 1989 and references in the first paragraph that "The well site is on a piece of land that Greater still holds...". (Greater refers to Greater Construction Company which was owned by the same persons who owned the Utility) This memo was written by the consulting engineer for the Utility. Des Pinar Well #5 was subsequently renamed Well #2B in order to differentiate this proposed well from the existing Well #5 that supplied water to the Wekiva WTP. The well was not actually constructed until 1996.

Exhibit 2 is a file copy of the project budget and costs incurred by the Utility in constructing Well #2B. There is no mention of the land cost being included in the project budget. Ex. 2 reflects the booking of \$88,315.46 into CWIP in 1996 for the

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Ann Cole, Commission Clerk
Florida Public Service Commission
November 29, 2012
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total project cost. Again, there's no mention of land cost being included and all of this preceded the current ownership of the Utility.

Please do not hesitate to contact me should the Staff have any questions about these responses.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/der
Enclosures

cc: Patrick Flynn, Regional Director (w/enclosures) (via e-mail)
Michael Springer, Division of Economic Regulation (w/enclosures) (via e-mail)
Michael Lawson, Esquire (w/enclosures) (via e-mail)
Stephen C. Reilly, Associate Public Counsel (w/enclosures) (via email)

cph

cc: [signature]
file

Memo

JOB FILE S1624.00

DT: 7 July 1989

CC: DAVE GIERACH & BILL MUSTARD

RE: SANLANO UTILITIES DES PINAR WELL #5

RECEIVED

JUL 11 1989

SANLANO UTILITIES CORP.

A plant site meeting was held with Bill Mustard, Mac McPherson of Sanlando Utilities, Pete Hoanshelt of C.E. Bailey & Associates, Dave Gierach, and myself to review the various aspects of the new well that is to be located at the north end of the Woodlands 5 subdivision. The well site is on a piece of land that Greater still holds between E.E. Williamson Road and the last two lots of Woodlands 5, and between Penelope Drive and the I-4 right of way. The site is a steeply sloping high dry sandy site, covered with oak trees, Bahia grass, and some palmettos along the ditch bank that runs diagonally across the eastern side of the site along Penelope. At the time of our field visit, it appeared that there may be additional right of way to the south of the site which will allow access without crossing the ditch. If a ditch crossing is required, it will have to be accomplished about 100 ft. north of the end of the pipe that runs into the ditch and go between a break in the trees along the west side of the ditch. With the ditch crossing and lack (?) of right of way on the south side there is going to be a problem with the raw water line location, but this would have to be worked out. We may even possibly need to repave a section of the road if it has to be laid in the road itself. The construction in this area will be tight, as there is a guardrail next to the ditch and the ditch runs right up to the back of curb at the terminus of the aforementioned drainage pipe. The pipe is 36 -42" CMP and has a 30" road drain culvert pipe also exiting westward at the same location. There's a pave flume out a ways from the end of the pipe, and the earth fill at the east side and north end of the flume has been eroded out from the back of the curb, where water has spilled over the curb before reaching the inlet to the south.

The site is very well sheltered, with as tree buffers, and will provide a very inconspicuous well location once it is constructed. Tree cover, slopes and ditch will cause access problems and it will be necessary to stabelize a driveway into the site and a work area prior to actual well construction. This needs to be considered in selecting the actual well location. I recommend that the available well site area be staked in the field and the primary and possibly a secondary access be explored at the time the actual well location is staked. We would like to accomplish this construction with minimal clearing, and also the location of the well may want to be reconsidered in view of any potential uses that the Owner may wish to make for the site at a later date. If other potential uses are considered, it may be necessary or advisable to push the well to the extreme north end

Memo

of the site even up closer to the E.E. Williamson Rd. right of way in order to free up the site. The ditch coming down across the site is rather steep and the bottom has been eroded clean of vegetation. The ditch cross-section is approximately 5' at the bottom, 6' deep and 15' at the top toe, at least it was at the initial crossing location we looked at. As you get toward the north end of the site the actual ditch may be shallower, but may be formed more by the sloping grades coming down from the road, and the slopes coming down from the site, near the north end.

Pete is going to design a new well control panel and place it in the pump room at the water plant and in so doing clean up some of the extraneous and obsolete switch gear that is in that location. The controls will be based on a pressure switch system operating off of a static line coming from the tank, thereby abandoning the previously used probe level system. The wells will be operated two at a time, on a lag-lead automatic and/or manual alternation system. Electric power will be supplied to the well site from E.E. Williamson Road with a new three phase service and the proposed 125 hrspwr. motor can be across the line started at that location. This well is designed for 2500 gallons a minute; this will operate along with the 60 hrspwr. 1500 - 1800 gpm well nearest the plant site.

In the process of actually staking the well site, I recommend that a surveyor come out to verify the property corners and to stake out the non-restricted internal area where the well can be placed. A route survey is also required, along the selected water line route, and the route should be selected prior to doing the survey so that the cost of the actual survey can be minimized. The base map could also be based upon the actual construction plans for the Woodlands 5 subdivision. The mylars made from the Penelope Drive plans could be used as the survey base.

Brian Johnson will need to direct the consumptive use permit process, and the need determined for revision of the consumptive use permit, if required prior to construction or permit application to construct this well.

One thing that occurred to me as to the actual construction of the well is that the disposal of cuttings and water from any well operation will have to be rigidly controlled in order to prevent siltation from running down the drainage ditch and causing a siltation plume in Grace Lake, located north of E.E. Williamson Rd. This lake used to be a lot deeper than it is right now because a sink-hole opened up and some of the water has left the lake. The amount of water would probably not be a problem, but it would have to be cleaned up before release. Construction plans should include some provision for constructing a siltation pit and some sort of baffle system to allow cleanup of the water before it goes into the downstream ditch system. I don't believe that you would want to pump it up into the I-4 right of way, even though it would also end up in Grace Lake.

Santandō Utilities
Booking CWIP for Well 2B

copy original
ORIG SG.2 Well 2B
9/19/96

Item	Value	Wells and Springs 307.2A B.307	Transmission and Distribution and Mains 331.4 E.331	Hydrants 335.4 E.335	Lift Stations 371.3 G.371	PSC GL
Water Main						
MERIDITH	42,968.00	42,968.00				
Water TOTAL	\$ 42,968.00	\$ 42,968.00	\$ -	\$ -		
Wastewater						
Item	Value					
Wastewater TOTAL	\$ -				\$ -	
Construction Portion Subtotals		\$ 42,968.00	\$ -	\$ -	\$ -	\$ 42,968.00
Construction Portion Percentages		100.00%	0.00%	0.00%	0.00%	0.00%
Percentages above applied to miscellaneous values in order to apportion totals to individual accounts.						
MISCELLANEOUS						
Tinklepaugh Survey	3,830.00	\$ 3,830.00	\$ -	\$ -	\$ -	\$ -
Gating Lopez Appraisal	1,200.00	1,200.00	-	-	-	-
Conklin Porter & Holmes	38,835.66	38,835.66	-	-	-	-
Permit Fees	350.00	350.00	-	-	-	-
Capitalized Interest	584.95	584.95	-	-	-	-
Bionomics	356.25	356.25	-	-	-	-
MISC	190.60	190.60	-	-	-	-
MISC. Total	\$ 45,347.46	\$ 45,347.46	\$ -	\$ -	\$ -	\$ -
Grand Totals		\$ 88,315.46	\$ 88,315.46	\$ -	\$ -	\$ -