

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 19, 2019
TO: Adam Teitzman, Commission Clerk, Office of Commission Clerk
FROM: Takira Thompson, Engineering Specialist, Division of Engineering *TT poE*
RE: Docket No. 20180138-SU- Application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation.

Please file the attached, "North Peninsula Utilities Corporation's Response to Staff's Third Data Request," in the above referenced docket file.

Thank you.

TTT/pz

Attachment

North Peninsula Utilities Corp.

P.O. Box 2803
Ormond Beach, FL 32175
386-677-7607 phone
developershw@gmail.com

March 15, 2019

RECEIVED

MAR 18 2019

Florida Public Service Commission
Division of ~~REG~~ *Eng. Working*

Ms. Thompson

We are working on these additional bids. Here are some that we've been able to put together.

As we indicated earlier, the bids that we initially sent with the application are from subcontractors that we have worked with for many years, some since we purchased the plant. They are all familiar with our facility and we trust their work.

Also, see the letter from our engineer regarding the bids and the 10% misc. contingency. A letter regarding the DEP consent order is also enclosed.

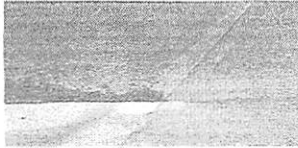
We are already seeing price increases on many items. Some additional items have also come up such as: replacing some handrails and walkways and replace our flow meter board.

Please advise,



R. Hillman
NPUC

Cadenhead Environmental Engineering Services, Inc.



1982 State Road 44, #201, New Smyrna Beach, FL 32168
Phone: (904) 307-6824, Email Address: mark_cadenhead@bellsouth.net

March 14, 2019

Mr. Robert L. Hillman, President
North Florida Utilities Corporation
Post Office Box 2803
Ormond Beach, Florida 32175

Dear Mr. Hillman:

North Peninsula Utilities WWTF (FLA011188)
Consent Agreement OGC Case #18-0258 and Permit No. FLA011188

As follow up to our telephone conversation on March 13, 2019, I would like to clarify, in writing a few of the points of our discussion as it pertained to the Consent Agreement; past Florida Department of Environmental Protection (FDEP) compliance inspections and the wastewater facility's operating permit. FLA011188-003.

The Consent Agreement had some very specific items required for repair or replacement listed in Section 4 a), items i, ii, and iii. Item 4 a) i noted "holes in integral components of the wastewater treatment facility" as a line item to be addressed immediately and ongoing until a more permanent solution to the continued corrosion at the plant could be completed. The holes noted during past inspections and encompassed in the specifics of the Consent Agreement were to be repaired as a short term and ongoing "fix" at the metal plants with the presumption that more extensive work would be completed to address the overall issue of corrosion of the two metal plants. This presumption is made based on conversations with the staff of FDEP and a goal of being proactive toward addressing the core issue of the age of the plants and the corrosive nature of the operating environment near the ocean. Additionally, during the permit renewal process, a Request for Additional Information was issued with the following item:

The proposal in Chapter 7 of the OMPR for corrective actions is noted. The leaking of the Return Activated Sludge line is a deficiency, which has been existent for several years. Past repairs have not been effective. The corrosion issue is in a similar situation. Proposed on going repairs are inadequate. Specific actions with deadlines are required. A metal wastewater treatment plant has a definite lifespan and ultimately requires replacement. Provide an action plan with a completion schedule to resolve the corrosion and maintenance issues and an assessment of replacement dates for each metal plant are requested. Proposed completion dates of those items with a stated period are requested.

The intent of the request item was to provide a plan to address the corrosion at the plant

and extend the lives of the two metal wastewater treatment plants or replace the plants. The response included a reference to the upcoming Consent Agreement language and the specifics and general requirements of that document.

Despite the language of the Request for Additional Information, the agency, FDEP, does **not mandate** the engineering approach to be taken by the Permittee due to the concern of liabilities should the FDEP proposed actions not be effective or in fact cause further violations or plant failure. Language such as Items 5 a) i and ii is incorporated into the legal and binding document, OGC Case #18-0258, to allow professional operational and engineering reviews of the wastewater facility and the overall components to determine an economical and effective approach to correct the compliance problems at the plant. With the Request for Additional Information, FDEP inherently expressed a concern that the metal plants *might not* be capable of operating over the five-year duration of the permit unless there was significant metal work on the current plants or potentially future replacement of those plants. Since the majority of the corrosion was above the water line, a phenomenon common to wastewater treatment plants operating in corrosive environments, a proposal to pull down the levels of the plants and replace metal versus scrapping the plants and replacing with different facilities of similar capacities. Not only would the cost be significantly less, but the plants could be brought back up to operational levels much more quickly, resulting in less downtime.

In summary, note that the Consent Agreement contains very specific line items for completion to maintain compliance with the permit and the agreement. In addition, the document, in combination with the Specific and General Conditions of the permit, requires further less specific actions to extend the life of the plants; remain in operational compliance as well as requirements of maintenance for the permit duration; evaluate the status of the current plants and proactively develop and implement a plan to meet limits of the permit and sufficiently comply with the Consent Agreement. The responsibility to ultimately develop and execute plans to meet the requirements of both the permit and the Agreement falls on the holder of the permit and the signature authority for the Consent Agreement.

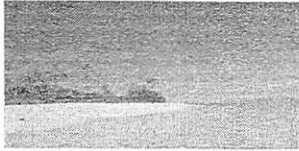
If you have any questions concerning this letter, please feel free to contact me at the letterhead address or telephone number.

Sincerely,



Mark Cadenhead, P. E., President, MBA

Cadenhead Environmental Engineering Services, Inc.



1982 SR 44, #201, New Smyrna Beach, Florida 32168
Phone: (904) 307-6824 (cell), Email Address: mark_cadenhead@bellsouth.net

February 18, 2019

Ms. Takira Thompson, Engineering Specialist
Division of Engineering, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850 .

Dear Ms. Thompson:

Re: North Peninsula Utilities WWTF (fka Scabridge WWTF)
Corporate Certificate No. 259 S
Docket No. 20180138-SU

At the request of Mr. Robert Hillman, President of North Peninsula Utilities Corporation (NPUC), I have reviewed the cost proposal presented to the Commission concerning a potential rate increase for the subject facility. The cover letter from Willdan Financial Services and the associated cost proposals from various vendors are attached for convenience.

Mr. Hillman requested a review and comment on the submitted proposal in lieu of obtaining several additional cost estimates due to the difficulties in smaller communities of locating expertise for such projects. The vendors approached have first-hand knowledge of the property and the wastewater treatment plant. My personal experience is with environmental projects, particularly small domestic wastewater and potable water facilities. Additionally, I have worked on other projects involving Wetherell's Treatment Systems and American In-Line Inspection, Inc.

Over half of the proposed cost relates to improvements directly related to the wastewater treatment plant and prolonging the life of the facility. Wetherell's Treatment Systems constructed the wastewater plant in approximately 1980 and has been involved with the operation and maintenance over the years. Two of the combined three plants treating the wastewater are metal plants and due to the proximity to the ocean and the corrosive nature of the environment, have experienced deterioration in many of the components of the facility. During my previous involvement with smaller scope projects in which Wetherell's Treatment Systems bid for work concerning wastewater plants, the bid(s) were competitive in nature. The company is locally owned and operated. Upon review of the line items of the proposal, there is agreement between the proposed work and the requested improvements or component replacement based on the Consent Agreement with the Florida Department of Environmental Protection or past plant inspections by the agency. In order to continue safe and effective, prolonged use of the facility, these items must be completed in a timely manner.

North Peninsula Utilities Corporation

February 18, 2019

The second largest line item involves work to be performed by American In-Line Inspections, Inc. The company is located in Edgewater, Florida which is less than an hour from the wastewater treatment plant and subsequent collection system piping and infrastructure. Since mobilization is one expense to be considered, selecting a company that is local to the project is important. In addition, the company has already visited the site and provided some guidance concerning the collection system and manhole work. Utilizing a company familiar with the property would allow NPUC to more quickly address any issues versus starting the process with a "new" company. It should also be noted that the cost proposal is for cleaning and videography of the mainline of the collection system piping. The videography may indicate that additional work is needed but serves as a proper step in addressing any storm water intrusion or groundwater infiltration into the wastewater plant.

The remaining companies are also local and have worked with Mr. Hillman at the plant over the almost 30 years of operation of the existing wastewater treatment facility. Although electrical, building and fencing work are not in my area of expertise, using contractors familiar with the plant layout and specific equipment such as the automated callout systems, blowers and submersible pumps at this location would be beneficial.

The financial services group denoted a **Miscellaneous Cost of ten (10) percent** to the cost estimates. Normally, at least a 10% Contingency cost to engineering or maintenance work for wastewater treatment facilities is common. Since it is often not possible to definitively know all work that might be needed below the operating level of the wastewater, a contingency cost of at least 10% is not uncommon. The level of the wastewater in the treatment basins such as the Aeration Tanks or Secondary Clarifiers provide for gravity flow from basin to basin, so the water levels are near the top of the tank(s). The water is chocolate brown in color in these treatment basins and any issues below surface levels may be encountered once the individual treatment tanks are removed from service for renovation. Having funds available to address additional repairs that are not immediately apparent is critical to completing all necessary work at the plant.

If you have any questions, you may reach me at the letterhead address or at (904) 307-6824.

Sincerely,

Mark Cadenhead, P. E., MBA, President
Cadenhead Environmental Engineering Services, Inc.

cc: Mr. Robert Hillman, President, North Peninsula Utilities w/o attachments

Atlantic Fencing Solutions, LLC

34

569 Cameo Dr. • Ormond Beach, FL 32174
 Ph: (386) 235-8524
 Email: afsolutions386@gmail.com

Date 1-15-19

Crew _____

Source of Lead _____

WORK DRAFT / CONTRACT

Sold To: NPU

Home Phone _____

Address: Seabridge

Office Phone 386-299-3111

City, State, Zip: Ormond Beach, FL 32176

Job Site NPU

PVC/VINYL

CHAIN LINK

WOOD

STYLE	HEIGHT	GAUGE	HEIGHT	COATED	LINE POST	TERMINALS	WOOD	HEIGHT	PICKETS
<input type="checkbox"/> Classic	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 1 1/2	<input checked="" type="checkbox"/> 4	<input checked="" type="checkbox"/> Galvanized	<input checked="" type="checkbox"/> 1 5/8"	<input checked="" type="checkbox"/> 2 1/2"	<input type="checkbox"/> Cypress	<input type="checkbox"/> 4	<input type="checkbox"/> 1/2
<input type="checkbox"/> Cambridge	<input type="checkbox"/> 6	<input type="checkbox"/> 9	<input checked="" type="checkbox"/> 6	<input type="checkbox"/> Vinyl	<input type="checkbox"/> 2"	<input type="checkbox"/> 3"	<input checked="" type="checkbox"/> P.T.	<input checked="" type="checkbox"/> 6	<input type="checkbox"/> 3/4
<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input checked="" type="checkbox"/> 5/8"

1) 300' chain link 4' different areas for repair. \$3550.00

SEC/FT _____ @ _____ = _____

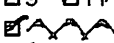
POST _____ @ _____ = _____
 _____ @ _____ = _____

WALK GATES _____ @ _____ = _____
 _____ @ _____ = _____

DRIVE GATES _____ @ _____ = _____
 _____ @ _____ = _____

LABOR _____ @ _____ = _____
 _____ @ _____ = _____

Gauge 9 1 1/2

Knuckled 

Safeguard X Y X

Legal: _____

Plot Plan: _____

Permits: _____

Elect: _____

Tel: _____

Gas: _____

Cable TV: _____

Misc: _____

Top to Follow Grid

Level with Low

Level with High

Rack Step

Gate Swing In Out

Good Side In Out

2) 500' 6' wood stockade fence around sewer plant includes removal of old. \$12750.00

3) replace entrance gate to compound with new 14' double gate and 35-40' of chain link. \$2250.00

SUB TOTAL _____

DEPOSIT _____

BALANCE _____

DUE _____

Cash Check Other Upon Completion

Customer _____ Company Rep _____



03/01/2019

North Peninsula Utilities Corporation
16 Seabridge Drive.
Ormond Beach, FL 32176

Re: Pump House Exterior Repairs

Dear Mr. Hillman,

We are pleased to submit our cost for the exterior repairs of the **Pump House** as per the owner request and walkthrough on 02/27/2019 for the lump sum of \$6,849 (**Six Thousand Eight Hundred and Forty Nine Dollars**).

We have specifically included the following in our quote:

1. Remove existing siding and replace with cement board siding approx. 40 ln. ft.
2. Remove and replace rolled roofing and drip edge.
3. Painting and sealants as required. Owner to select color.
4. Full time supervision of the work is included.
5. Permit Fees
6. Daily cleanup of our work areas and remove debris from the site.

Items excluded or qualified:

- Unforeseen conditions or hazardous material work of any kind.
- Professional Design or Permit Fees of any kind.
- Overtime or weekend work. All work shall be performed during normal hours.
- Electrical, line or low voltage disconnecting or re-connecting

Please feel free to call me should you have any further questions regarding our proposal.

Sincerely,

Dwight E Pickett
Vice President

B.R.I.A.N. Inc.



B. R. I. A. N., Inc.

31004 HWY 27, P.O. BOX 478
LAKE HAMILTON, FL 33851

TEL #: (863) 438-9356

FAX #: (863) 439-3755

Proposal

2-12-2019

To: North Peninsula Utilities Corp.

Attn: Mr. Robert Hillman

Ref: I & I Inspection

To video inspect approx. 10300 of 8" sanitary sewer (VCP and PVC). Issue a written report of any defects, services, leaks, signs of infiltration, etc. along with video report and still pictures of any areas that show defects or problem area. Report and estimate on repairs of system.

10300 X \$250	\$25,750
1st time mobilization	\$ 750
Total	\$26,500

Extras:

Extra heavy cleaning **\$250 HR**

Dump Fee if needed

Owner to furnish water supply from hyd.

MOT

Permits, fees, etc..

APPROVED BY: _____ DATE: _____
PRINTED NAME: _____

You are responsible for all state, local, federal taxes or fees.
Invoices paid after 30 days are subject to 1.5% late charge. Any seriously delinquent accounts will be turned over to our collections agency or attorney.

Rehab Inspection Analysis of Lake Hamilton

B.R.I.A.N. Inc.



B. R. I. A. N., Inc.
31004 HWY 27, P.O. BOX 478
LAKE HAMILTON, FL 33851
TEL #: (863) 438-9356
FAX #: (863) 439-3755

Quote

2-12-2019

To: North Peninsula Utilities Corp.
Attn: Mr. Robert Hillman
Ref: Reset Manhole frame & grate
3214 John Anderson, Ormand Beach, FL

To pull up palm tree including root ball. Excavate around manhole and reset frame and grate to original location.

Stop any debris from entering sanitary lines and to remove and clean from manhole.

By others, removal and disposal of tree and excess debris by others.

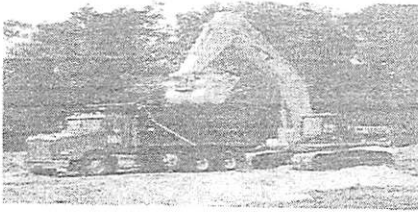
Total **\$2,575.00**

Any additional fees such as permits, Mot, etc.. will be extra.

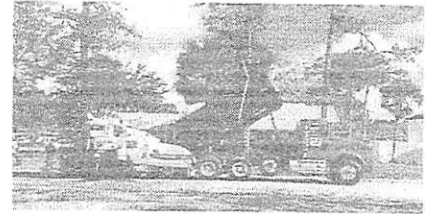
APPROVED BY: _____ DATE: _____
PRINTED NAME: _____

You are responsible for all state, local, federal taxes or fees.
Invoices paid after 30 days are subject to 1.5% late charge. Any seriously delinquent accounts will be turned over to our collections agency or attorney.

Rehab Inspection Analysis of Lake Hamilton



D & W PAVING, INC.
 P.O. BOX 250725 HOLLY HILL, FL 32125
 p. 386-258-5440 f. 386-258-8546



PROPOSAL

CUSTOMER	
NORTH PENINSULA UTILITIES CORP.	
ATTN:	BOB HILLMAN
PHONE	386-299-3111
EMAIL:	

JOB INFORMATION	
ORMOND BEACH PLANT	
ORMOND BEACH, FL	
ARCHITECT:	PLANS DATED:

DATE: 2/28/2019

SIGNED: 
 CHRIS DURRANCE - VICE PRESIDENT

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED
1. MOBILIZATION	1	LS	\$1,000.00	\$1,000.00
2. CLEARING AND DEMO	1	LS	\$950.00	\$950.00
3. SITE GRADING, IMPORT/EXPORT FILL, FINISH GRADING	1	LS	\$750.00	\$750.00
4. 6" LIMEROCK BASE MATERIAL	220	SY	\$14.00	\$3,080.00
5. 1.5" TYPE SP 9.5 ASPHALT	380	SY	\$9.50	\$3,610.00
6. CONSTRUCTION SURVEY, STAKING, LAYOUT	1	LS	\$600.00	\$600.00

NOTE

We propose hereby to furnish material and labor - complete in accordance with specifications above, for the sum of:

TOTAL COST	\$9,990.00
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IF WORK DOES NOT BEGIN WITHIN 30 DAYS OF A SIGNED CONTRACT OF IF, DURING THE PROJECT, WORK IS POSTPONED, CANCELLED OR STOPPED FOR ANY REASON, THE CONTRACTOR SHALL HAVE THE RIGHT TO CHANGE PRICES OR TO DECLARE THIS AGREEMENT NULL AND VOID.

PROPOSALS ARE BASED UPON BEING ABLE TO BEGIN WORK AND CONTINUE IN AN UNINTERRUPTED MANNER. ONE MOBILIZATION/DEMobilIZATION IS INCLUDED. SHOULD THE PROJECT BE POSTPONED, CANCELLED OR STOPPED FOR ANY REASON, ANY ADDITIONAL DEMOBILIZATION/REMOBILIZATION WILL BE INVOICED PER OCCURRENCE.

IF THIS PROPOSAL IS ACCEPTED, PLEASE SIGN AND RETURN A COPY TO D & W PAVING, INC. ALONG WITH A COPY OF THE NOTICE OF COMMENCEMENT IF APPLICABLE, WORK CANNOT BEGIN ON THIS PROJECT UNTIL BOTH DOCUMENTS HAVE BEEN RETURNED.

D & W PAVING, INC. WILL NOT ACCEPT ANY BACKCHARGES FOR DAMAGE CAUSED BY ITS EMPLOYEES UNLESS THE MANAGEMENT OF D & W PAVING, INC. IS NOTIFIED IMMEDIATELY OF THE DAMAGE AND ALLOWED THE OPPORTUNITY TO REPAIR THE DAMAGE BY ITS OWN MEANS AND ITS OWN EXPENSE.

PAYMENT IS TO BE MADE UPON COMPLETION OF THE WORK.

D & W PAVING, INC. WILL NOT BE RESPONSIBLE FOR DAMAGE TO UNMARKED UNDERGROUND LINES OR STRUCTURES AS A RESULT OF GRADING OR PAVING OPERATIONS.

D & W PAVING, INC. WILL NOT BE RESPONSIBLE FOR OBTAINING OR BEARING THE COST OF PERMITS.

PROPOSAL TO BE SIGNED BY AN OWNER (OR OFFICER) OF THE COMPANY OR PROPERTY OWNER.

Authorized Signature: _____

*Must be Signed by Owner or Officer

Print Name & Title: _____

Dated: _____

Halifax Paving, Inc.

P.O. Box 730549 Ormond Beach, FL 32173

DATE: 2/15/2019

Phone 386-676-0200 Fax 386-676-0803

TIME: 10:27 AM

E-mail: halifaxpaving@cfl.rr.com

TO: North Peninsula Utilities Corp.



ATTN: Bob Hillman
PHONE:

FAX:

JOB NAME: Plant Improvements

LOCATED AT: Ormond Beach, FL

PLANS BY:

DATE OF PLANS:

****UNIT PRICES WILL BE HONORED FOR 30 DAYS FROM THE DATE OF THIS PROPOSAL.
MARKET INCREASES MAY APPLY THEREAFTER.****

BID ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL
Mobilization	1	LS	\$ 1,500.00	\$ 1,500.00
Grading	1	LS	\$ 1,800.00	\$ 1,800.00
6" Limerock Base	200	SY	\$ 12.00	\$ 2,400.00
Asphalt 1 1/2" SP-12.5	390	SY	\$ 10.00	\$ 3,900.00
Demolition & Clearing	1	LS	\$ 750.00	\$ 750.00
Staking & Layout	1	LS	\$ 1,200.00	\$ 1,200.00

We propose to execute the above scope of work for the sum of: \$ 11,550.00

EXCLUSIONS:

WE PROPOSE TO PERFORM ONLY THE WORK EXPLICITLY DESCRIBED ABOVE
 ANY ITEM OF WORK WHICH IS NOT EXPLICITLY DESCRIBED ABOVE IS NOT INCLUDED IN THIS PROPOSAL
 THIS ITEMIZED PROPOSAL SHALL BECOME A BINDING ADDENDUM TO ANY CONTRACT DERIVED FROM THIS PROPOSAL.
 This proposal only includes work shown in the Civil Drawings.
 Permit Applications, Permit Fees, Impact Fees, or Other Fees of any kind are NOT INCLUDED in this Proposal.
 This Proposal may be withdrawn by us if not accepted within 30 days.
 All work is guaranteed to be as specified.
 All work is to be completed in a workmanlike manner according to standard construction practices.
 Any alteration or deviation from the above scope of work, will be executed only upon written orders.
 Any alteration or deviation from the above scope of work, involving extra costs, will become an extra charge over and above this Proposal.
 Owner to carry Fire, Tornado, Hurricane and other necessary insurance.
 Our Workers are fully covered by Workmen's Compensation Insurance.

Acceptance of Proposal -

The above scope of work, specifications, conditions, and prices are satisfactory and are hereby accepted.
 Halifax Paving is authorized to do the work as specified. Payment will be made as outlined above.

Authorized Signature _____ Date of Acceptance _____

Authorized Signature _____ Date of Acceptance _____