

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate )  
 increase in Seminole County by )  
 Sanlando Utilities Corporation )  
 \_\_\_\_\_ )

DOCKET NO. 900338-WS  
 ORDER NO. 24920  
 ISSUED: 8/16/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 J. TERRY DEASON  
 BETTY EASLEY  
 MICHAEL McK. WILSON

ORDER APPROVING IN PART AND  
DENYING IN PART THE WATER  
CONSERVATION PLAN OF  
SANLANDO UTILITIES CORPORATION

BY THE COMMISSION:

Sanlando Utilities Corporation (Sanlando or utility) is a Class A water and wastewater utility located in Altamonte Springs, Florida, which operates three water and two wastewater systems. The Commission last considered these systems within a full rate case in Docket No. 900338-WS. Order No. 23809, issued on November 27, 1990, in that docket required Sanlando to submit a plan detailing the actions it will take to implement water conservation initiatives and to file a brief economic study of the feasibility of implementing spray irrigation within 90 days of the effective date of the Order. The utility was also ordered to hold \$25,008 in annual revenues (hereinafter referred to as "set-aside funds") for future expenses specifically related to water conservation.

On March 19, 1991, Sanlando requested an extension of the 90 days so as to complete its water conservation plan. The Commission granted the extension in Order No. 24436 on April 25, 1991. Sanlando submitted its water conservation plan on June 28, 1991.

The utility's filing addresses only two of three requirements specified in our Order. The plan is designed to encourage water conservation primarily through customer awareness, education and involvement. According to the budget included in the proposed

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plan, the utility has allocated the appropriate amount of revenues to the plan. The economic study on the feasibility of implementing spray irrigation was not included in the utility's report. The utility has proposed delaying the economic study on spray irrigation until a later date because the Water Management District issued consumptive use permits to the three golf courses in the Sanlando service area, which eliminated their immediate need for utility spray effluent.

The proposed water conservation plan begins with a discussion of the previous water conservation actions initiated by Sanlando. Specifically, the utility has encouraged water conservation through messages on the monthly statements to customers to remind them to conserve water, availability of four water conservation pamphlets, sponsorship of a local school coloring contest during National Drinking Water Week, and individual and local school field trips of the water and wastewater plants. The utility also conducts an ongoing leak detection program, systematic meter change out program, periodic tests of large meters, and monthly field tests of a sample of residential meters.

The utility proposes to continue these conservation steps in addition to several new steps. Steps identified as measures implementable in the short term include promoting the maintenance of the current water restrictions imposed by the St. Johns River Water Management District, encouraging the use of water saving devices for existing homeowners, and promoting the use of the Xeriscape landscaping technique. The utility plans to accomplish this through a Public Information Program which will include advertisements in local newspapers, and the distribution of educational materials to homeowners associations and elementary schools. The elementary schools are included for the purpose of training future customers in water conservation methods. Also, the utility will place advertisements and water conservation articles in the Central Florida Family Journal. A long term alternative identified by the utility would be to have the Commission restructure its rates by developing a surcharge on some level of "excess" gallonage. A specific timetable for this alternative was not included in the report.

As previously stated, the utility suggested that an economic study regarding reuse is not appropriate at this time because the three potential consumers (golf courses) of reclaimed or gray water have each received consumptive use permits from the St. Johns River

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Water Management District. The permits will be in effect until 1995. We are informed that the actual permits mandate the use of effluent when it becomes available and require the permits to be modified at that time. In addition, two of the permits specified dollar amounts for the cost of implementing reuse.

Sanlando does, however, suggest plans regarding the use of gray water for irrigation of these three golf courses during the four year permit period. The utility proposes that the Commission could restructure its rates to impose a surcharge on the large commercial and residential users and use the funds from the surcharge to construct the necessary facilities to replace potable water with gray water in the irrigation of the golf courses. Additionally, Sanlando plans to promote the use of spray irrigation for the golf courses by conducting engineering studies to determine cost and feasibility of delivering the water and offering to share capital expenses in connection with installation of necessary facilities with the golf course owners.

We recognize that the utility is somewhat limited in the conservation methods available to it at this time. The service area is built-out for all practical purposes, and therefore, the utility must focus its conservation efforts on existing homeowners. However, the utility was ordered to file information on the feasibility of providing spray effluent to golf courses, and the utility's response is not satisfactory. Since the consumptive use permits issued to the golf courses did specify numbers associated with the provision of effluent, it appears that there is in fact, at least some type of information on the estimated costs to provide spray effluent to these golf courses. We believe this information, along with its support data, should have been included in this initial report. Also, since the utility identified some long term options not fully developed in this report, the utility should continue to pursue additional conservation measures and update the Commission over the next two years.

Upon consideration, we will approve the utility's proposed water conservation plan in part and deny it in part. The utility should refile the portion of the plan requiring a feasibility study on spray irrigation, including the preliminary estimates and supporting analysis for spray irrigation as stated in the consumptive use permits issued by the St. Johns River Water Management District to the Sweet Water Oaks, Wekiva and Sabal Point Golf Courses. In addition, the utility should continue to pursue

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additional conservation measures and should provide an annual report of the status of the various short and long term projects for the next two years. The plan should be refiled with the spray irrigation information no later than September 30, 1991. The first annual status report should be filed no later than December 31, 1992.

While we believe education is important, we believe the set-aside funds should be utilized for one year only for educational purposes. When the utility refiles its plan it should also include suggestions for the type of rate restructuring it would believe to be useful, as well as suggestions for productive use of these set-aside funds in any other related areas.

It is therefore,

ORDERED by the Florida Public Service Commission that the proposed conservation plan filed by Sanlando Utilities Corporation is approved in part and denied in part as set forth in the body of this Order. It is further

ORDERED that Sanlando Utilities Corporation shall file a plan containing the economic feasibility of spray irrigation, rate restructuring recommendations, and any other related suggestions for the use of the set-aside funds by September 30, 1991.

By ORDER of the Florida Public Service Commission, this 16th day of AUGUST, 1991.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

NSD

by: Kay Feigun  
Chief, Bureau of Records

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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 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.