

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 4, 2010

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Economic Regulation (Fletcher, Bulecza-Banks, Daniel, Rieger, Stallcup, Thompson, Williams)  
Office of the General Counsel (Jaeger)  
Division of Regulatory Analysis (Bloom, Hawkins, King, Merritt)

**RE:** Docket No. 080121-WS – Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

**AGENDA:** 03/16/10 – Regular Agenda – Proposed Agency Action - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Edgar

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\080121.RCM.DOC

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### Case Background

By Order No. PSC-09-0385-FOF-WS (Final Order), issued in Docket No. 080121-WS on May 29, 2009, the Commission found that the quality of service provided by Aqua Utilities Florida, Inc. (AUF) was marginal for all systems, except the Chuluota system which was unsatisfactory. (Final Order, p. 21) Also, the Commission noted that a consent order for The Woods water and wastewater systems had just been closed, and made the increased rates for those systems subject to refund with interest should the systems become subject to a Department

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of Environmental Protection (DEP) consent order within 18 months of the issuance of the Final Order. (Final Order, p. 144)

Because of concerns with AUF's customer service, the Commission created an AUF Monitoring Plan (Attachment 1) which was to last six months. The three major areas of concern targeted in the Monitoring Plan included: (1) AUF's failure to handle customer complaints properly, (2) AUF's Call Centers' process for handling complaints, and (3) incorrect meter readings and resulting improper bills. AUF was required to submit monthly reports and sound recordings of customer complaints, as well as meter reading route schedules and meter reading logs in order to verify the accuracy of the meter readings and resulting customer bills. Upon the completion of these reporting requirements, staff was to present to the Commission its conclusions regarding AUF's performance. If it was determined that AUF was not performing adequately, the Commission could initiate show cause proceedings or take such other action as may be deemed appropriate. (Final Order, p. 22) In addition, staff is providing an update of the Utility's compliance with the DEP and County Health Departments which oversee AUF's quality of product and the operational condition of the water and wastewater facilities.

This recommendation is the result of staff's review into the quality of service provided by AUF as required by the Final Order. The Commission has jurisdiction pursuant to Sections 367.011(2), 367.081, and 367.111, Florida Statutes (F.S.).

### **Discussion of Issues**

**Issue 1:** Is Aqua Utilities Florida, Inc.'s performance as specified in the Monitoring Plan detailed in the Final Order adequate?

**Recommendation:** Yes. (King, Stallcup, Thompson, Rieger, Williams)

**Staff Analysis:** Pursuant to Rule 25-30.433(1), Florida Administrative Code (F.A.C.), the Commission found, in the Final Order, that AUF's overall quality of service is marginal, except for Chuluota, which was found to be unsatisfactory. The Commission created an AUF Monitoring Plan which targeted three major areas of concern that required monitoring, including AUF's handling of customer complaints, the Utility's Call Center process for handling complaints, and possible incorrect meter readings and resulting improper bills. The following describes the steps taken by staff to monitor AUF's management of customer service and staff's recommendations regarding such performance. In addition, staff is providing an update of the Utility's compliance with the regulatory entities that oversee AUF's quality of product and the operational condition of the water and wastewater facilities.

#### **I. AUF's Process For Handling Customer Complaints**

This part of the Monitoring Plan evaluated whether customer complaints were resolved appropriately and if customer complaints were handled in a professional and courteous manner.<sup>1</sup> Based upon the evaluation process outlined below, staff recommends that the Commission find that AUF's performance is adequate.

##### **The Evaluation Process**

In determining if AUF is handling customer complaints properly and if its call centers processed complaints in a courteous and professional manner, staff: 1) developed a customer satisfaction survey; 2) reviewed 103 customer-specific sound recordings; 3) reviewed 635 randomly-selected sound recordings; and 4) obtained information from the company, via a data request, on its practices and procedures.

The customer satisfaction survey was brief and required no postage for return to the Commission. (Attachment 2) Survey participants were selected at random from the monthly customer complaint logs provided by AUF<sup>2</sup> and each survey had a unique customer identifier as a control measure. Customers were asked to identify the nature of their recent complaint (i.e., billing issue) and to rate AUF on a scale of 1-5, with five being excellent and 1 being poor, for seven specific categories. The seven categories were:

1. Courtesy
2. Knowledge level

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<sup>1</sup> On page 22 of the Final Order, "appropriately" is defined as any errors made by AUF are corrected and all issues in the complaint are addressed.

<sup>2</sup> AUF filed its reports on the 22<sup>nd</sup> of each month following the actual month the data was collected. For example, the May 2009 report was filed with the Commission on June 22, 2009.

3. Responsiveness
4. Clarity of explanations
5. Level of effort taken
6. Extent to which your concerns were resolved
7. Overall level of satisfaction with the handling of your recent complaint

The survey also included a place for customers to offer comments and to request a call from Commission staff to discuss their concerns.

Each month 150 surveys were mailed to the randomly-selected customers, with 900 being sent for the six-month period. Staff tracked the responses received, surveys returned as undeliverable by the U.S. Post Office, customer comments, customer call backs, and staff's interaction with customers using Excel spreadsheets. The spreadsheets are detailed, identifying the customers by their survey numbers so as not to disclose confidential information.<sup>3</sup> If a customer requested a telephone call from the Commission, staff generally made three attempts to contact the customer. For those customers with an answering machine or voice mail, staff identified themselves, the reason for the call, and provided their specific contact information. On the final call attempt staff thanked the individual for responding to the survey and provided the Commission's toll-free consumer assistance number. If contact was made with the customer, notes were taken, attached to the survey, and summarized in the appropriate Excel spreadsheet.<sup>4</sup>

For many of the customers that rated Aqua poorly, staff attempted to locate and review their specific sound recording. Staff developed a form so that the 103 specific recordings were evaluated in a consistent manner. Staff listened to the sound recordings to determine if the customer service representative (CSR) was courteous, professional, and worked with the customer to resolve all concerns raised in that specific call. Staff also attempted to determine if the discussion correlated with the customer's survey response.<sup>5</sup> Each evaluation form was attached to the customer survey response and a note was made in the appropriate Excel spreadsheet that the review occurred. Unlike the survey rating scale of 1-5, staff used a "yes" or "no" rating when evaluating these calls.

Staff also evaluated 635 randomly-selected customer calls.<sup>6</sup> An Excel spreadsheet was also created and maintained to identify which recordings were reviewed and to record the results of that review.<sup>7</sup> Staff evaluated AUF's CSR for courtesy, knowledge, responsiveness, ability to provide a clear explanation to the customer, and if the customer's concerns were addressed appropriately during that call. These calls were also evaluated using a rating of "yes" or "no."

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<sup>3</sup> The Excel spreadsheets were provided to the Commission's Clerk for inclusion in the Docket file.

<sup>4</sup> For those customers that needed additional assistance with an issue or concern, staff contacted AUF's Regulatory Liaison, Troy Rendell.

<sup>5</sup> For example, survey respondent number 24 (who received a survey because she contacted AUF in May) identified "billing issue" as the nature of her recent complaint and also included comments regarding the base facility charges. However, in reviewing her May 6 call, her concerns were not related to billing.

<sup>6</sup> Staff listened to five randomly selected calls for each day the call center was in operation for the six-month period May-October 2009. Unlike the logs, which only identified complaints and certain inquiries, the sound recordings captured all Florida calls to AUF's call centers for a particular day.

<sup>7</sup> This spreadsheet was also filed with the Commission's Clerk for inclusion in the Docket file.

Last, in a data request to the company, staff asked several questions regarding its call centers, customer service training programs, and any improvements the company has implemented in the past six months.

### The Results

The number of survey responses received ranged from a high of 46 in June to a low of 33 in October. Table 1-1 provides the number of complaints/inquiries reported by AUF, the number of surveys sent and returned, and the number of customers that requested a call back from the Commission.

Month	Complaints & Inquiries Reported by AUF	Surveys Sent	Surveys Returned <sup>8</sup>	Customers Requesting a Call Back
May	809	150	42	20
June	911	150	46	30
July	794	150	44	20
August	690	150	42	19
September	509	150	44	22
October	643	150	33	13
Totals	4,356	900	251	124

Table 1-2 provides the average customer ratings for the seven specific categories in the survey.

Month	Courtesy	Knowledge	Responsiveness	Clarity	Level of Effort	Extent Resolved	Overall Satisfaction
May	3.05	2.47	2.35	2.05	2.05	1.70	1.80
June	2.95	2.43	2.39	2.23	2.19	2.00	2.12
July	3.35	2.86	2.83	2.98	2.65	2.78	2.64
August	3.17	2.79	2.51	2.56	2.54	2.39	2.40
September	2.90	2.75	2.95	2.35	2.87	2.40	2.38
October	3.13	2.59	2.38	2.65	2.50	2.42	2.32
Six Month Average	3.09	2.65	2.57	2.47	2.47	2.28	2.28

<sup>8</sup> Three surveys were returned but they were either damaged in the mail or the customer removed the top-half of the survey. As such, staff could not determine which customer sent it in or for which month, and they were not included in the totals.

The majority of respondents identified “billing issue” as the reason for making contact with AUF’s CSR. Some respondents identified more than one issue and some identified no issue at all.<sup>9</sup>

Except for courtesy, it appears that the survey respondents find AUF’s customer service mediocre at best. However, staff believes the survey responses themselves may not be a valid assessment of AUF’s performance. Surveys are generally considered valid if they actually measure what they are designed to measure; the Commission’s survey was intended to measure if AUF was resolving complaints appropriately. However, after reading customer comments and talking to several customers, staff does not believe the survey responses meet the intended objective. Several customers rated AUF poorly and noted that their issue is not with customer service but with the increase in rates and the requirement to pay a base facility charge each month. The surveys were sent to customers shortly after a large rate increase was implemented which staff believes influenced customers’ ratings. Also, the survey recipients were those customers that made contact with AUF regarding an issue or concern, not the entire body of AUF customers, which may have caused a sampling bias.

Staff also believes the logs provided by AUF, which include notes on how the company resolved each consumer issue and the date of resolution, cannot be relied upon in determining if AUF is meeting its customers’ needs. Like the surveys, these logs are only one party’s perspective on the situation. As such, staff believes the most reasonable means at our disposal for determining if AUF is performing adequately are the actual sound recordings of interactions between consumers and AUF’s CSRs. Unlike the logs, which captured only complaints and certain inquiries, the sound recordings captured all Florida calls made to AUF calls centers. By having all types of Florida calls available for review, staff evaluated not only customers calling with a complaint, but also customers that were calling for more routine issues, such as making a payment by telephone.

Of the 103 specific sound recordings reviewed, staff found four instances where the CSRs were not courteous or professional and five instances where the customer’s concerns were not appropriately addressed. Table 1-3 summarizes the results of staff’s review of the 635 randomly-selected sound recordings.

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<sup>9</sup> One hundred thirty eight respondents identified “billing issue” as the reason for contacting AUF, 56 identified “poor water quality,” 17 “no water,” 10 “waste water issue,” 53 “other,” and 22 did not identify an issue.

Month/ Calls Reviewed	Not Courteous	Not Knowledgeable	Not Responsive	Lack of Clear Explanation	Reasonable Effort Not Taken	Concerns Not Appropriately Addressed
May/100	1	1	0	2	0	1
June/105	0	1	0	2	0	3
July/110	0	2	0	1	0	2
Aug./105	1	0	0	0	0	1
Sept./105	4	0	0	0	1	1
Oct./110	2	5	1	3	0	3
<b>Totals</b>	<b>8</b>	<b>9</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>11</b>

Out of 738 total sound recordings reviewed,<sup>10</sup> staff believes the majority was handled in a courteous and professional manner and the representatives were taking the appropriate action to resolve all issues raised in the call.<sup>11</sup>

Last, in response to staff's data request, AUF reported that it has implemented several measures to improve its customer service both from an operational perspective and in its call centers. These improvements include the following:

- Forming a "Complaint Analysis and Remediation Team" (CART). The CART consists of all call center supervisors and their managers, as well as the Supervisor of Compliance. This team addresses all executive escalations and meets biweekly to review all accounts where further coaching and training issues are identified for follow-up.
- Implementing a Call Escalation Process. The process was developed in April 2009 and was reviewed with all supervisors and the Compliance Team. This escalation process was then communicated to all CSRs in each of AUF's three call centers.
- Developing a detailed Supervisor Audit. This involves the Training Team pulling all supervisor callbacks from the three call centers. These are placed in a folder on AUF's internal network and are reviewed by all management in the call centers. The data is used for coaching and feedback to the CSRs to reduce the number of customer call backs.
- Auditing all its replaced meters in Florida. AUF found that there were some transitional issues that occurred with this change and has audited nearly every meter replaced to ensure that the meter is coded properly to its billing system.

<sup>10</sup> The majority of these calls were to address some type of billing issue.

<sup>11</sup> In order to appropriately resolve the customers concerns, in several cases the CSR generates a service order or other follow-up action (sometimes on the part of the customer). For these calls, staff could only evaluate the action taken by the CSR at that time not what may transpire on a later call.

- Standardizing its service order processing system for its field technicians. This change was implemented to improve the communication between the field technicians and the call centers.
- Refining the tracking of customer on-site meter and bench test procedures, since this is a common request.
- Providing an informational brochure to remind customers about contacting the call center when they leave or return to their Florida home. Many of AUF's customers use their Florida home as second residence, and the mailer was designed to encourage customers to contact the call center when they leave for the summer so that their account is properly noted.

### **Summary of AUF's Complaint Handling**

After reviewing more than 700 calls between AUF and its customers, staff believes that AUF is adequately handling its customer complaints and inquiries.

## **II. AUF's Meter Reading and Customer Billing Samples**

This part of the Monitoring Plan looks at whether AUF is properly reading customers' meters and whether the bills customers receive, reflect the usage indicated by these meter readings. Staff broke down this investigation into two separate lines of inquiry. The first is designed to determine whether AUF is reading customers' meters accurately, and the second is designed to determine whether customer bills are based upon the usage indicated by the meter readings. Based upon the results of these two lines of inquiry, staff recommends that AUF is properly reading customers' meters, and that customer bills properly reflect the usage indicated by these meter readings.

### **Meter Reading Accuracy**

In order to determine if AUF is reading customers' meters accurately, AUF was ordered to provide meter reading route schedules that identify the day that meters would be read for a period of six months (June through November, 2009). AUF was also ordered to provide the meter reading logs for the same six month period that contain the actual meter readings, as well as the date and time the meters were read. Using this information, staff was directed to manually read a sample of AUF's meters on the same day AUF was scheduled to read the meters to verify the accuracy of the meter readings and resulting customer bills.

Staff constructed a random sample of meters to be read based upon the service territory maps provided by the utility. The sample of 358 meter readings contained sufficient geographic diversity to ensure that every portion of AUF's service territory was represented within the total sample, and was large enough to reasonably determine if AUF's meter reading program could be relied upon. This sample size is large enough to allow the sample results to be evaluated in sufficient detail so that if more than one percent of the meter readings were determined to be 'inaccurate,' then AUF's meter reading program could be found to be unreliable.

The Commission's field engineering staff read customers' meters primarily during the July and August meter reading cycle. Along with the actual meter readings, staff also recorded the time and date the meter was read, and the meter number and customer address where the meter was located. These meter readings were then compared to the corresponding data obtained by AUF's meter readings. On average, staff was able to read a customer's meter within three hours of the time AUF read the meter, with an average difference between the readings of 60 gallons.

In addition to simply analyzing the differences between AUF's and staff's meter readings, staff also calculated the flow of water that passed through the meter between the two meter readings. This latter metric becomes important when several hours may have passed between meter readings and water-intensive activities, such as lawn irrigation, may have caused the two meter readings to differ significantly. In order to determine if any observed flows were unrealistically large, staff relied upon the American Water Works Association (AWWA) standard that the maximum "sustainable" flow that could be accommodated by a typical 5/8" residential meter is 10 gallons per minute (or 600 gallons per hour). This same standard also notes that a maximum flow of 20 gallons per minute (1,200 gallons per hour) is possible for short periods before the meter becomes damaged. Staff considered both the absolute difference in meter readings and the hourly flow implied by these readings in evaluating the adequacy of AUF's meter readings.

With respect to the differences between AUF's and staff's meter readings, 85.2 percent were within 100 gallons of each other. The average length of time between these meter readings was 2.8 hours. Furthermore, 95.8 percent of the readings were within 250 gallons of each other, with an average length of time between readings of 3.2 hours. This leaves only 4.2 percent, or 15 cases, in which the meter readings differed by more than 250 gallons. Of these remaining cases, most involved a lapse of 4 hours or more between AUF's meter reading and staff's meter reading, or were from a system with a high average usage per customer. The maximum difference between AUF's meter reading and staff's meter reading was 650 gallons.

With respect to the flow of water observed between the two meter readings, 50.7 percent of the meter readings indicated a flow of less than 10 gallons per hour, while 91.1 percent indicated a flow of less than 100 gallons per hour. Of the remaining 8.9 percent (29 cases) with a flow greater than 100 gallons per hour, over half were from systems with a high average usage per customer. With the exception of the case discussed below, no meter readings indicated flow rates in excess of the AWWA standard of 600 gallons per hour.

Of the 358 meter readings analyzed by staff, one instance showed an unacceptably large flow rate in excess of the AWWA standard of 600 gallons per hour. The data from this reading is shown in the following table:

<b>Difference in Meter Reading (Gallons)</b>	<b>Difference in Meter Read Time (Hours)</b>	<b>Flow Rate (Gallons per Hour)</b>
630	0.58	1,080

To investigate this case further, staff reviewed the six month consumption history of this customer using the meter reading logs provided by AUF. The investigation showed that this

customer uses on average 12,000 gallons per month. It is possible that a meter reading differential of 630 gallons could occur due to intense outdoor irrigation during the time interval between meter readings. Therefore, with the information available to staff, it is not possible to attribute this observed difference in meter readings to a meter reading error.

### **Summary of AUF's Meter Reading Accuracy**

Based upon the findings of the sample results presented above, staff recommends that there is no systemic failure in AUF's meter reading procedures and that AUF's meter readings can be relied upon. In addition, since AUF's rate case, the company has replaced its manually read meters with electronically scanned meters. This new meter reading technology should reduce the likelihood of meter reading errors attributable to human error.

### **Customer Billing Accuracy**

Using the information from staff's manual meter readings, a portion of the resulting customer bills were tested to determine if AUF is billing customers accurately. Staff chose a random sample of bills to review. The sample of 50 bills evaluated contained sufficient geographic diversity to ensure that every portion of AUF's service territory was represented within the total sample, and was large enough to reasonably determine if AUF's billing program could be relied upon.

The bills were reviewed using the previous readings and current readings from AUF's meter reading log and the appropriate tariff sheets. During the review, staff verified that the number of gallons billed matched the number of gallons measured at the meter, and that the appropriate tariffs were applied. If a customer also received wastewater service from AUF, staff verified that the appropriate wastewater tariffs were applied correctly, as well.

### **Summary of AUF's Customer Billing Accuracy**

Of the 50 bills tested, no errors were detected. Staff concludes that AUF properly utilizes the meter readings to establish customer usage and applies the appropriate tariffs to calculate customers' bills.

## **III. AUF's Environmental Compliance**

Although not required by the Monitoring Plan, the following is an update of the status of AUF's compliance with the regulatory entities which oversee AUF's quality of product and the operational condition of the water and wastewater facilities. On June 17, 2009, AUF was sent a letter requesting that staff be notified in writing within ten days of any enforcement action taken by the DEP, the County Health Departments, or any of the WMDs until the end of 2009. In addition, on June 26, 2009, letters were sent to the DEP district offices, the County Health Departments, and the WMDs requesting that Commission staff be copied on all correspondence with AUF regarding compliance violations. No correspondence was received from the WMDs. Correspondence from the DEP and the Volusia County Health Department included noncompliance letters, warning letters, and consent orders. AUF provided periodic updates and

a final status report on February 25, 2010, concerning the status of outstanding compliance issues.

DEP conducts periodic inspections of all water and wastewater facilities and, if environmental compliance violations are found, a *noncompliance letter* is sent describing the violation. The utility is given time to respond and correct the violation. If the utility fails to respond or if the response is insufficient, the utility is sent a *warning letter* which describes the outstanding violation and DEP's recourse if the violation is not resolved. If the utility and DEP agree on a resolution, a *consent order* is issued describing the resolution. If an agreement is not reached, DEP issues a *notice of violation* which may result in a hearing.

Attachment 3 shows the current status of AUF's outstanding consent orders and warning letters. AUF has no outstanding notices of violation. Based on staff's review of AUF's environmental compliance, staff recommends that AUF is appropriately attempting to address the compliance needs of its systems.

### **Consent Orders**

The Final Order noted that there were five outstanding consent orders (three water systems and two wastewater systems). The consent orders for The Woods, the Zephyr Shores water systems, and the South Seas wastewater system have been closed; however, the consent orders related to the Chuluota water system and the Village Waters wastewater system are still open. In addition, new consent orders have been issued for the Tomoka View Estates and Twin Rivers water systems.

#### Chuluota Water System

The Chuluota January 2007 consent order addressed AUF's exceedance of the maximum contaminant levels (MCL) of total trihalomethanes (TTHMs). AUF was permitted to change from free chlorine disinfection to chloramines disinfection; however, after the modification went into service AUF was not able to maintain TTHMs below the MCL. The consent order was modified in August of 2009 to reflect AUF's agreement with DEP to construct an anion exchange treatment process and a \$5,750 fine was assessed. AUF was given until August of 2010 to complete the construction of the new treatment process and required to achieve results for TTHMs and odor that are below the MCLs during two consecutive quarters of sampling after the system modifications are placed into service. According to DEP, AUF has been meeting deadlines and all fines have been paid. A construction permit for the anion exchange treatment was issued on January 12, 2010. AUF has completed some of the preliminary site work and plant modifications and has awarded a contract to finish the project. AUF anticipates that the project will be complete and operational by July 2010. AUF will be required to achieve results below the MCLs during two consecutive quarters of sampling after the system modifications are placed into service.

#### Village Waters Effluent Disposal System

According to a 2007 consent order, the Village Waters wastewater system's operating permit expired in 2006. Although AUF applied for a permit renewal, the application was denied

because of issues related to the size and ownership of the ponds and spray field. AUF failed to timely petition DEP regarding the permit denial and DEP required the utility to apply for a new permit and pay fines of \$15,000. In a May 2009 consent order amendment, AUF agreed to increase the effluent disposal and storage capacity, submit a Monitoring Plan for the percolation ponds, develop a long-term solution to the facility's lack of sufficient effluent disposal capacity by May 2011, and pay additional fines of \$24,400. AUF is exploring several options in order to develop a long term solution. In addition, AUF has installed monitoring wells around the percolation ponds and is monitoring the ground water quality.

#### Tomoka View Estates and Twin Rivers Water Systems

Following warning letters from the Volusia County Health Department in April of 2009, consent orders were signed for the Tomoka View Estates and Twin Rivers water systems because both systems exceeded MCLs for TTHMs. AUF agreed to construct a new chloramination treatment system at the Tomoka View facility and to change some operational procedures at the Twin Rivers system to address the TTHM exceedances and pay fines of \$5,400 and \$1,400 to settle the consent orders. Construction of the chloramination system at the Tomoka View facility was completed in mid-December 2009. Operational changes have been made to both the Tomoka View Estates and Twin River systems. According to the Health Department, AUF is on track to meet the compliance deadlines in the consent orders. In addition, AUF is working with the St. Johns River Water Management District to address the filing date for a consumptive use permit.

#### **Warning Letters**

The Final Order noted four outstanding warning letters (one water system and three wastewater systems). The problems with the Pomona Park water system and the Arredondo wastewater system have been resolved; however, the Jasmine Lakes and Palm Terrace percolation pond and groundwater compliance permitting issues are still unresolved. In addition, new warning letters were issued for the Sunny Hills and Peace River Heights water systems and the South Seas wastewater system subsequent to the Commission's Final Order.

#### Jasmine Lakes and Palm Terrace Effluent Disposal Systems

According to AUF, the effluent disposal system compliance issues at Jasmine Lakes and Palm Terrace are related to whether the percolation ponds are subject to new DEP rules related to ground water quality. In a March 2007 warning letter, AUF was required to address the impact of the Jasmine Lakes percolation ponds on the adjacent ground water. The issues with the Jasmine Lakes wastewater system are still under investigation by DEP and the department is continuing to monitor and test the ground water quality adjacent to the percolation ponds to determine the source of the problem. In addition, AUF was required to provide summary reports regarding the Palm Terrace land application system, to provide results from an investigation regarding the use of an intermediate well, and to construct a cross-over pipe between two percolation ponds as a part of permitting requirements for the treatment plant. The cross-over pipe has been installed and the permit has been issued.

### Sunny Hills Water Storage Facilities

A warning letter was issued for the Sunny Hills water system in July 2009, regarding insufficient storage capacity. As a result of AUF's inspection of its storage facilities in 2008, two tanks were taken out of service. AUF is working with a consultant to inspect the tanks, evaluate the storage capacity, and preparing design and permit packages to (1) interconnect wells one and four with the storage tanks and (2) sequester iron in the water.

### Peace River Heights Water System

DEP issued a warning letter on August 13, 2009, indicating that AUF's Peace River Heights water system may have exceeded the MCLs for Gross Alpha Particles. In response to DEP's proposed consent order, AUF provided DEP with proposed amendments and supporting documentation, as well as a treatment alternative. In addition, AUF is working with a consultant to evaluate cost effective treatment options. DEP is in the process of considering AUF's proposal.

### South Seas Wastewater System

According to a February 23, 2010, warning letter, DEP identified deferred maintenance as the potential source of a leak at the wastewater plant. AUF was required to respond by March 10, 2010, to set up a meeting to discuss a resolution. According to AUF, a contractor is working on the rehabilitation of the reject storage tank and the reject water from the tank, as well as the effluent from the treatment plant are being hauled to the City of Sanibel.

### **Summary of AUF's Environmental Compliance**

It appears that AUF has been responsive to DEP and the County Health Departments in attempting to resolve compliance issues. In some cases, compliance involves complicated and difficult issues which can take significant time to resolve. To date, five of the nine outstanding consent orders and warning letters referred to in the Final Order have been resolved. No notices of violation have been issued, although two new consent orders and three warning letters have been issued. Given that AUF is responsible for more than 80 water and wastewater systems regulated by the Commission, staff recommends that the Utility is appropriately attempting to address the compliance needs of its systems.

### **Conclusion**

Based on staff's review of AUF's processes for handling customer complaints, meter reading, and customer billing, as well as its environmental compliance, staff recommends that AUF's performance as specified in the Monitoring Plan detailed in the Final Order is adequate.

**Issue 2:** Should this docket be closed?

**Recommendation:** No. If no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of the issuance of the order, a consummating order will be issued, but the docket should remain open contingent on the DEP not issuing any further consent orders regarding the Woods water and wastewater systems within 18 months of the Final Order, issued on May 29, 2009. Once the 18-month timeframe has expired without any further DEP consent orders issued regarding the Woods water and wastewater systems, the increased revenues will no longer be subject to refund and this docket should be closed administratively. However, if new consent order activity for The Woods systems does occur before the 18-month timeframe has expired, staff will report back to the Commission with a recommendation as to how to proceed with the appropriate disposition of the rates made subject to refund. (Jaeger)

**Staff Analysis:** The Final Order required that the docket remain open for: (1) staff's confirmation that the appropriate refunds have been made; (2) staff to review and present its analysis concerning the Quality of Service Monitoring Plan; and (3) a final determination of the appropriate disposition of the rates made subject to refund for The Woods water and wastewater systems should those systems become subject to a DEP consent order within 18 months of the date of this Order.

Pursuant to the Final Order, staff believes that Item Nos. 1 and 2 of the three requirements keeping this docket open have been satisfied. In reference to Item No. 1, staff has confirmed that the appropriate refunds have been made for excessive water and wastewater interim rates collected for three systems. In addition, if the Commission approves staff's recommendation in Issue 1, the requirements related to Item No. 2 have been satisfied. However, the increased rates for The Woods water and wastewater systems shall remain subject to refund through November 29, 2010 (18 months from the date of the Final Order). To date, no new DEP consent order activity has occurred for The Woods water and wastewater systems.

Given the above, staff recommends that if no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of the issuance of the order, a consummating order will be issued, but the docket should remain open contingent on the DEP not issuing any further consent orders regarding the Woods water and wastewater systems within 18 months of the Final Order, issued on May 29, 2009. Once the 18-month timeframe has expired without any further DEP consent orders issued regarding the Woods water and wastewater systems, the increased revenue will no longer be subject to refund and this docket should be closed administratively. However, if new consent order activity for The Woods systems does occur before the 18-month timeframe has expired, staff will report back to the Commission with a recommendation as to how to proceed with the appropriate disposition of the rates made subject to refund.

### **AUF Quality Of Service Monitoring Plan**

Because of our concerns with AUF's customer service, we shall closely monitor the service provided by AUF for the next six months. We have three major areas of concern: (1) AUF's failure to handle customer complaints properly; (2) the Call Centers' process for handling complaints; and (3) incorrect meter readings and resulting improper bills.

To allow us to closely monitor AUF's customer service, AUF shall submit the following:

1. AUF shall submit a monthly report to this Commission for the first six months after this order is issued. The report will list all customer complaints for each system for the month. The report shall include the customer name, address, phone number, account number, a description of the complaint, and how the complaint was resolved. We will audit a sample (sample will be chosen to determine with a 90 percent confidence level and a maximum error rate of 5 percent) of the reported customer complaints to determine whether the complaints were resolved appropriately ("appropriately" will be defined as any errors made by AUF are corrected and all issues in the complaint are addressed).
2. AUF shall submit to this Commission on a monthly basis all sound recordings of customer complaints from customers to this Commission for the first six months after this order is issued. Our staff will listen to a sample of these to determine if the customer complaints are handled in a professional and courteous manner.
3. AUF will provide our staff with route schedules that identify the day that meters will be read for AUF's regulated systems for the six months after this order is issued. The route schedules will be due to our staff by May 1, 2009. AUF shall also provide staff with the meter reading logs for the same six-month period. Based on the meter reading schedule, our staff will manually read a sample of AUF's meters on the same day that the Utility is scheduled to read them to verify the accuracy of the meter readings and resulting customer bills.

Upon the completion of these reporting requirements, our staff will present their conclusions regarding AUF's performance to us. If AUF is not performing adequately, we may initiate show cause proceedings, or take such other action, as we may deem appropriate.

COMMISSIONERS:  
MATTHEW M. CARTER II, CHAIRMAN  
LISA POLAK EDGAR  
KATRINA J. MCMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

STATE OF FLORIDA



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

## Public Service Commission

July 16, 2009

**Re: Aqua Utilities Florida, Inc. (Aqua) Customer Satisfaction Survey**

**Dear Aqua Customer:**

Records provided by Aqua to the Florida Public Service Commission (Florida PSC) indicate that you recently contacted the utility with a complaint. Because customers have raised concerns about the handling of complaints by Aqua's call center representatives, the Florida PSC has implemented a customer service monitoring program. As part of this program, we would like your *feedback on how your complaint was handled*.

Please take a few moments to complete the enclosed survey and drop it in the mail (postage is paid). If you have any questions about the survey, please call Laura King at (850) 413-6588. We value your input and thank you for your time and assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth Salak".

Beth Salak  
Director  
Division of Regulatory Compliance

BWS/LK/bjm  
Enclosure



## Aqua Utilities

*The Florida PSC would like your feedback on Aqua Utilities' handling of your recent complaint.*

1. Please **circle the item(s)** that best describes the nature of your recent complaint:
  - a. Billing issue
  - b. Poor water quality
  - c. No water
  - d. Wastewater issue
  - e. Other

2. Based on your recent experience with Aqua's call center representative, please **rate the following items on a scale of 1-5**, with 5 being excellent and 1 being poor.

PLEASE CIRCLE YOUR CHOICE

- |   |   |   |   |   |    |  |
|---|---|---|---|---|----|--|
| 1 | 2 | 3 | 4 | 5 | a. | Courtesy   |
| 1 | 2 | 3 | 4 | 5 | b. | Knowledge level  |
| 1 | 2 | 3 | 4 | 5 | c. | Responsiveness   |
| 1 | 2 | 3 | 4 | 5 | d. | Clarity of explanations  |
| 1 | 2 | 3 | 4 | 5 | e. | Level of effort taken  |
| 1 | 2 | 3 | 4 | 5 | f. | Extent to which your concerns were resolved                              |
| 1 | 2 | 3 | 4 | 5 | g. | Overall level of satisfaction with the handling of your recent complaint |

3. Would you like the Florida PSC to contact you to discuss this matter further?  
If so, please provide a telephone number where you can be reached.

*Please provide any comments about the customer service you received from the utility.*

*Thank you for your time. Please fold and seal this survey, making sure that the Commission's address is visible and place in the mail. No postage is necessary.*

TAPE TOGETHER HERE

**R**ecords provided by Aqua Utilities to the Florida Public Service Commission (Florida PSC) indicate that you recently contacted the utility with a complaint. The Florida PSC would like to get your feedback on the utility's handling of your complaint. Please take just a few moments to complete this survey and return it to the Florida PSC.

This survey is an important part of the Florida PSC's monitoring program for Aqua Utilities.

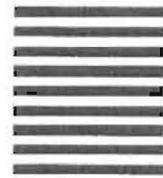
FOLD HERE

Florida Public Service Commission  
Division of Regulatory Compliance  
2540 Shumard Oak Blvd  
Tallahassee FL 32303-0850



NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
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**BUSINESS REPLY MAIL**  
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POSTAGE WILL BE PAID BY ADDRESSEE



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2540 Shumard Oak Blvd.  
Tallahassee FL 32399-9908



FOLD HERE

Lifeline  
Assistance  
&  
Link-Up  
Florida



NEED A  
**PHONE?**  
HAVING A  
HARD TIME  
PAYING  
YOUR PHONE  
**BILLS?**

If you have a low income, you may be eligible for Lifeline Assistance and Link-Up Florida – telephone savings programs that reduce the cost of phone service. You may be eligible for these programs if your household income is no more than 150% of the federal poverty income guidelines, OR if you participate in any of the following programs:

- Medicaid
- Supplemental Security Income (SSI)
- Low-income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Food Stamps
- Temporary Assistance to Needy Families (TANF)

If you would like to apply, contact your local telephone service provider.

**Status of AUF's Environmental Compliance**

**Outstanding Consent Orders**

<b>County</b>	<b>System</b>	<b>Status</b>
Seminole	Chuluota WTP	Construction permit for anion exchanged issued 1/12/10, AUF required to achieve compliance with MCLS for TTHMS by 8/10
Polk	Village Water WWTP	AUF required to increase effluent disposal capacity, develop Monitoring Plan for ponds, and determine a long term disposal solution by 5/11
Volusia	Tomoka View Estates WTP	DEP is monitoring AUF's water quality subsequent to AUF's construction of a chloramination treatment process and changes in operational procedures
Volusia	Twin Rivers WTP	DEP is monitoring AUF's water quality subsequent to AUF's changes in operational procedures

**Outstanding Warning Letters**

<b>County</b>	<b>System</b>	<b>Status</b>
Pasco	Jasmine Lakes WWTP	DEP is monitoring the groundwater quality adjacent to AUF percolation ponds
Pasco	Palm Terrace WWTP	DEP is monitoring the groundwater quality adjacent to AUF percolation ponds
Washington	Sunny Hills WTP	DEP is reviewing AUF's proposal to construct a new storage tank
Hardee	Peace River Heights WTP	DEP is reviewing AUF's testing proposals
Lee	South Seas WWTP	AUF was required to respond by March 10, 2010, regarding the leak at the wastewater plant.