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April 12, 2011

Via Hand Delivery

Ms. Ann Cole
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, FL 32399-0850

Re: Docket Nos. 080121-WS and 100330-WS

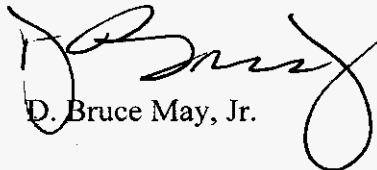
Dear Ms. Cole:

Enclosed for filing in the above-referenced dockets are the original and four (4) copies of Aqua Utilities Florida, Inc.'s Reply to Citizens' Response to Final Quality of Service Monitoring Report and Current Status of AUF's Quality of Service.

Please acknowledge receipt of this filing by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:kjg
Encls.

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cc: Caroline Klancke, Esq.
Ralph Jaeger, Esq.
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Kenneth Curtin, Esq.
David L. Bussey
Kimberly A. Joyce, Esq.
Troy Rendell

In Re: 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.

Docket Nos.: 080121-WS
100330-WS

FILED: April 12, 2011

**AQUA UTILITIES FLORIDA, INC.'S REPLY TO CITIZENS' RESPONSE
TO FINAL QUALITY OF SERVICE MONITORING REPORT AND
CURRENT STATUS OF AUF'S QUALITY OF SERVICE**

Pursuant to the Commission's directives, on February 28, 2011, Aqua Utilities Florida, Inc. ("AUF") filed its Final Phase II Quality of Service Monitoring Report ("Final Report") in Docket No. 080121-WS. OPC filed a response to AUF's Final Report on March 31, 2011.¹ Although AUF appreciates OPC's comments, and hopes to continue to work with the OPC on ways to cost effectively address OPC's concerns, AUF respectfully disagrees with OPC's response and is compelled to file this reply. As more fully described below, OPC's response does not acknowledge AUF's efforts to improve customer service since the last rate case, overlooks the fundamental purpose of AUF's Phase II Monitoring Reports, omits key facts, and misinterprets much of the quality of service data set forth in AUF's Final Report.

***OPC DOES NOT ACKNOWLEDGE AUF'S EFFORTS
TO IMPROVE CUSTOMER SERVICE***

OPC is quick to state that in AUF's last rate case the Commission found that the quality of service was "marginal" for AUF's systems subject to current rate case. However, OPC fails to even mention the many measures undertaken by AUF since the last rate case to improve its service to customers. This omission is surprising because the Commission itself has expressly recognized that AUF has implemented a number of measures to improve its customer service since the last rate case, including:

¹ OPC served copies of its response on the parties by U.S. mail.

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- 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.
- 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.

Order No. PSC-10-0218-PAA-WS at pp. 6-7.

OPC also fails to note that, since May 22, 2009, the Commission and its Staff have closely monitored AUF's quality of service for all of AUF's systems that are part of this rate case. During that 22 month period, not once has the Commission or its Staff found that AUF’s quality of service was unsatisfactory. To the contrary, in its recommendation dated March 4, 2010, Commission Staff found:

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**.

Staff Recommendation, dated March 4, 2010, in Docket No. 080121-WS at p. 13. Furthermore, OPC's response overlooks the fact that when the Commission decided to continue to monitor AUF's quality of service through the end of 2010, it expressly found that "preliminary results show **substantial improvement** in AUF's customer service." Order No. PSC-10-0218-PAA-WS (emphasis added).

OPC'S RESPONSE OVERLOOKS THE FUNDAMENTAL PURPOSE OF AUF'S PHASE II MONITORING REPORTS

The Commission's Phase II quality of service monitoring initiative was expressly designed for OPC and AUF to work collaboratively "to develop a cost-effective, efficient, and meaningful" plan for monitoring AUF's quality of service. See Order No. PSC-10-0218-PAA at p. 13. Pursuant to the Commission's directives, AUF met with OPC several times to discuss the appropriate metrics and benchmarks to use in evaluating AUF's quality of service. AUF and OUC ultimately agreed on a Phase II Monitoring Plan which eliminated the requirements that AUF produce sound recordings, meter reading information, and complaint logs. Instead, OPC and AUF agreed to (and the Commission approved) a more limited monitoring of customer service and certain aesthetic water quality issues. See Exhibit "A".

OPC was intimately involved in deciding which metrics and benchmarks were to be included in the Phase II Monitoring Plan to objectively and cost-effectively monitor AUF's quality of service. Recognizing that the Commission has not adopted formal quality of service metrics for water and wastewater utilities, OPC agreed that the monitoring of customer service during the Phase II period was to be based on seven (7) monthly reports used by AUF

management to achieve and maintain excellence in customer service.² Indeed, in approving OPC's and AUF's Phase II Monitoring Plan, the Commission expressly noted that using these already existing reports "is an efficient and cost-effective means" of monitoring customer service. See Order No. PSC-10-0297-PAA-WS at pp. 3- 4.

It is perplexing that OPC now has elected to essentially ignore the very data in the monitoring reports to which it originally agreed. Instead, OPC's response to AUF's Final Report is structured almost exclusively around the unsworn customer comments made during customer meetings in AUF's current proposed agency action ("PAA") rate case in Docket No. 100330-WS. Customer input is extremely important to AUF, and AUF respects the rights of its customers to actively participate in customer meetings. However, a utility should be afforded the opportunity to review the basis of a customer's comment and respond thereto before a determination is made regarding whether the utility is providing adequate service. In that regard, it is troubling that OPC overlooks the fact that AUF filed with the Commission a detailed response to customer comments after each of the nine customer meetings conducted last fall in the current PAA rate case.³

Furthermore, while OPC provided the names eighteen customers that offered comments during the customer meetings, it failed to advise the Commission of AUF's analysis and response to each of those customer's comments. To set the record straight, attached as Exhibit "B", are AUF's specific responses to the comments of each of the customers listed in OPC's response.

² The seven reports to be used to monitor AUF's quality of service were : the Management Quality Performance Report; the Florida Complaint Support Information Report; a Florida Score Card Report; a Call Center Monitoring Statistics Report; a Customer Service Representative Call Quality Scores Report; a Service Order Report; and, an Estimated Read Report. These reports are described in detail on pages 7 and 8 of AUF's Final Report.

³ See AUF's responses dated: November 12, 2010 (Sunny Hills); November 24, 2010 (New Port Richey, Gainesville and Palatka); December 1, 2010 (Sebring, Lakeland and Eustis); December 2, 2010 (Green Acres [Lake Osborne] and Eustis Supplemental); December 8, 2010 (Green Acres Supplemental); and January 3, 2011 (Ft. Myers).

In addition, AUF respectfully submits that the customer meetings upon which OPC so heavily relies should be placed in proper context. For example, the number of customers that made comments at each of the nine meetings last fall in Docket No. 100330-WS are as follows:

Sunny Hills	7
Gainesville	8
Green Acres	10
Fort Myers	3
Palatka	11
Sebring	21
Eustis	25
New Port Richey	33
Lakeland	36

It is noteworthy that several of the same customers spoke at more than one customer meeting, and repeated the comments previously given. In particular, Mr. David Bussey and Mr. Frank Reams both spoke at the customer meetings in New Port Richey, Lakeland, Eustis, and Sebring. Mr. Bussey and Mr. Reams have advised the Commission that they are part of an organization that advocates government take-over of private water systems like those owned by AUF. Furthermore, these two gentlemen have mounted a campaign against AUF in an attempt to facilitate a government take-over of AUF's systems. Thus, AUF respectfully submits that it is not a coincidence that those meetings where Mr. Bussey and Mr. Reams participated had the largest number of speakers by far.

OPC acknowledges that the majority of the customer comments made at the customer meetings related to rates and level of bills. This is to be expected. In fact, it is consistent with the Commission Staff's finding in March of last year that customers were primarily concerned with the increases in rates resulting from the last rate case. See Staff's Recommendation dated March 4, 2010, in Docket No. 080121-WS, pp. 6-7.

The foregoing clearly demonstrates that the vast majority of customer comments made at the customer meetings related to rates and levels of bills, and that AUF acted promptly and properly acted to address all customer comments. Accordingly, AUF respectfully submits that it is improper for OPC to base its quality of service allegations almost exclusively on customer comments. Instead, quality of service findings should be based on objective data provided in the monitoring reports to which OPC agreed.

***OPC MISCHARACTERIZES THE TRENDLINES
OF FORMAL COMPLAINTS***

As part of the Phase II Monitoring Plan, the Commission ordered its Staff to produce monthly reports that track formal complaints filed at the Commission Call Center. Staff's monthly reports were required to "indicate the number of complaints received for the month, the type of complaint, the dates the complaint was opened and closed, and the county in which the customer resides." Order No. PSC-10-0297-PAA-WS. AUF has closely reviewed the complaint reports filed by Staff and notes that, on average, approximately thirteen complaints were registered with the Commission Call Center each month during the Phase II monitoring period. Close review of Staff's reports show that the vast majority of the formal complaints were related to rates approved by the Commission and the resulting bills. Staff's reports also show that AUF acted promptly and properly to resolve the complaints filed at the Commission's Call Center and,

after thorough review, those complaints were appropriately closed by the Commission. Indeed, all of the complaints filed during the Phase II monitoring period have now been closed.

Having found nothing in Staff's reports to corroborate its claim that AUF's service quality is unsatisfactory, OPC attempts to go back in time and look at complaints filed from 2007 through 2010. Although this type of retrospective review was not contemplated by the Commission's Phase II Monitoring Plan, the results of OPC's analysis show that the volume of complaints regarding AUF have actually dropped by 24% during a 4 year period in which AUF initiated two rate cases. This decrease in complaints is particularly significant when one considers that customer complaints and inquiries typically increase around the time of a rate case. Although AUF is proud that the number of complaints have decreased over the last 4 years, it recognizes the importance of tracking formal complaints and will work hard to see the number of complaints continue to decrease even further.

OPC next claims that the volume of letters and emails in the correspondence file in AUF's current rate case is somehow indicative of unsatisfactory customer service. However, OPC concedes that the majority of that correspondence related to customers' "opposition" to the rate case and not quality of service. Furthermore, the Commission Staff has investigated many of the concerns contained in the correspondence and actually has sent follow up letters to customers indicating that the bills are correctly calculated based upon consumption. See Docket No. 100330-WS - Consumer Correspondence. AUF respectfully submits that OPC's reliance to the correspondence file is misplaced and is not a legitimate basis for a finding on AUF's customer service. As the Commission recently recognized, making a service quality finding based primarily on customer comments is problematic, particularly when such commentary is elicited in the midst of a proceeding seeking to increase rates. See Order No. PSC-10-0297-PAA-

WS (“After analyzing the responses, reviewing the customer comments, and talking to over 100 customers, it appeared that the survey did not accurately measure AUF’s customer service performance. Rather it appeared that many customers were evaluating AUF’s rates, not whether their specific concerns were appropriately addressed.”).

***OPC MISINTERPRETS THE MONITORING RESULTS
IN AUF'S FINAL REPORT***

As explained above, OPC expressly agreed that the monitoring of AUF's quality of service was to be structured around seven monthly reports which AUF management currently uses to track and ensure proper performance. OPC's response makes no real effort to address the data set forth in those reports, which clearly shows that AUF has good service quality and is committed to ensuring that good quality of service quality continues. Instead, OPC mistakenly claims that AUF failed to meet certain “call center benchmarks.” In particular, OPC claims that there are “significant problematic trends” associated with AUF's failure to meet the “0.06% of Active Accounts Not Billed standard.” That simply is untrue. As explained on pages 12 and 13 of AUF's Final Report, the fact that AUF was slightly outside its target for Percentage of Active Accounts Not Billed for these months is not indicative of a “significant problematic trend”:

AUF was slightly outside of its target goal for Percentage of Active Accounts Not Billed in July, September, October, and November QSM Report. This is an expected result for these months when there are higher volumes of "move ins" by seasonal customers. For example, when a seasonal customer moves back in, the report will reflect that the last time the account was billed was when the customer moved out several months prior. The extended period of time between bills is to expected under this scenario.

In Attachment “L” to its response, OPC points to other isolated incidents where AUF was slightly outside of its targets. Again, OPC takes those isolated incidents out of context and

completely overlooks the fact that AUF explained the reasons for those isolated incidents on pages 12 and 13 of its Final Report.⁴

It is disingenuous for OPC to criticize AUF for isolated incidents where the Company failed to meet certain “call center benchmarks”. Initially, OPC knows very well that the “call center benchmarks” are self-imposed metrics included in the Florida Scorecard Report⁵ that AUF management uses to drive excellence in service quality. AUF does not establish these self-imposed metrics at easily attained levels. That would simply justify the status-quo. Rather, these metrics are designed to challenge company employees to stretch their performance toward excellence. Indeed, AUF’s operations are guided by self imposed, challenging targets which take into account that while 100 percent perfection is not always achievable or cost effective, AUF’s customers expect 100 percent reliability. To be clear, AUF strives to provide 100 percent reliable customer service in all service categories. However, as with any water, gas, electric or telecommunications utility, 100 percent perfection is not always attainable. To penalize AUF, as OPC suggests, for falling just short of self-imposed, stretch goals would send a very wrong message. Utilities would be discouraged from proactively adopting performance metrics that go beyond what is required in the rules.

OPC'S ATTACHMENTS “M” and “N” ARE FUNDAMENTALLY FLAWED

OPC takes the number of customers contacting the utility and mischaracterizes those “customer contacts” as quality of service “complaints”. The results of this misguided analysis

⁴As AUF explained in its Final Report: “In June 2010, AUF was slightly below its targeted meter read rate due to a downloading glitch which required AUF to ‘re-read’ 115 meters. This ‘re-read’ of the 115 meters also caused AUF to be slightly below its targeted goal for Percentage of Cycles Completed in June. In July, AUF was slightly over its target of .15% Accounts Estimated > 90 days. The achieved metric was slightly higher in July (.16%) because of meter change out in AUF’s Sarasota County system which resulted in customers receiving estimated bills. AUF’s Sarasota County system is not regulated by the Commission.” Notably, had the data from the Sarasota County system been excluded from the report, AUF would have met its target for Accounts Estimated > 90 days for July.

⁵The Florida Scorecard Report includes self-imposed metrics that address a myriad of service related issues including meter read rates, percentages of cycles completed on a scheduled date, overall estimation rates, accounts estimated for over 90 days and percentage of active accounts not billed.

are set forth OPC's response in Attachments "M" and "N". Close review of the data underlying those attachments show that OPC again has misconstrued the quality of service reports submitted by AUF. OPC would have the Commission believe that the volume of calls to AUF's call center is indicative of the quality of service. With all due respect, that premise is false. As explained in detail in AUF's Final Report, call volumes often increase due to operational events that have nothing to do with quality of service. For example, call volumes increased in November 2010: from the Lake Gibson's Estate system when a well unexpectedly went offline due to a pump malfunction and a boil water notice was issued; from the Lake Osborne Estates system when there was an unexpected main break; and, from the Palm Terrace system when a broken valve caused system outages. The table in Attachment "M" to OPC's response makes no mention of those operational events. Instead the attachment makes a sweeping assertion that that there were 602 calls in November related to "no water". Close review of that data shows that 368 of those calls came from Palm Terrace which experienced unexpected outages due to a broken valve in November 2010, and 181 of those calls came from the Lake Osborne system which experienced an unexpected main break in November 2010. Thus, these two operational events, which have nothing to do with service quality, appear to account for 549 of the 602 water related calls for the month of November. Attachments "M" and "N" are fundamentally flawed because they do not even attempt to take these two operational events into account. Indeed, removing calls related to those two operational events from the table in Attachment "M" and the graph in Attachment "N" shows that there are no adverse trends as claimed by OPC. In fact, OPC's own data points in Attachments "M" and "N" show that, even the midst of a rate case, the number of calls tracked in AUF's Customer Contact Report actually declined from May 2010 to December 2010 by 25% (from 844 to 634).

Attachment "M" also mischaracterizes calls related to customer bills as "Bill Issues." Upon close review, the overwhelming majority of those calls involved routine customer inquiries concerning rates, base facility charges, amounts of bills, and the AUF cap-band and inclined block conservation rate structures. There is no evidence that remotely suggests that AUF's bills are incorrect. Indeed, it should be noted that during the initial six month monitoring phase, the Commission Staff examined the meter readings, consumption, and bills of AUF's customers. In Order No. PSC-10-0297-PAA-WS dated May 10, 2010, the Commission acknowledged that many of its concerns that led to the Initial Monitoring Plan had been addressed. For example, the Commission noted that during the initial monitoring phase, its Staff had:

. . . randomly sampled 358 meter readings taken by AUF and compared those readings to a corresponding set of meter readings taken by Commission staff. Of these 358 meter readings taken by AUF, none were found to be significantly different from the meter readings taken by our staff. Therefore, we find that no further testing of AUF's meter reading accuracy is necessary.

Id. at p. 6. The Phase II Monitoring Order also recognized that Staff had randomly sampled 50 customer bills which showed that all of those bills were appropriately based upon the usage indicated by the meter readings taken by AUF. *Id.*

OPC'S CLAIMS OF "ONGOING CALL CENTER ISSUES" ARE UNSUBSTANTIATED

OPC makes several claims regarding what it deems to be "ongoing call center issues," which AUF respectfully submits are without merit. Initially, OPC points to comments of several customers who spoke at the customer meetings alleging rudeness on the part of AUF's CSRs. As shown in Exhibit "B", AUF timely responded to customer comments. After thorough review, AUF has found no evidence that indicates that its CSRs treated these customers rudely. This is consistent with the Commission's previous findings in this docket where the Commission observed that during the Phase I Monitoring Period, its Staff had independently evaluated sound

recordings for “635 randomly selected customer calls” to AUF's call centers, as well as 103 specific recordings, for a total of 738 recordings. Order No. PSC-10-0218-PAA-WS at p. 4. The Commission went on to affirm that, “[o]ut of the 738 total sound recordings reviewed, our staff thought that the majority were handled in a courteous and professional manner and the representatives were taking the appropriate action to resolve all issues in the call.” *Id.* at p. 6.

The fact that AUF has found nothing that indicates that its CSRs treated these customers rudely is also consistent with data provided the Customer Service Call Quality Scores Report, which OPC and AUF agreed should be used to evaluate performance of CSRs in answering customer calls at the call centers. Those CSR Call Quality Reports clearly show that for the months of May through December 2010 CSR performance has improved dramatically when compared to the period January 2008 through November 2008. The reports also demonstrate that from December 2008 through December 2010, the Call Centers have consistently exceeded AUF's targeted service performance goals.

OPC also expresses a concern about the timeliness of CSR response times and claims that “Aqua’s own Call Center statistics demonstrate unacceptable long wait times in June, July, August, September and October 2010.” OPC's claim is incorrect. As explained on page 14 of its Final Report, AUF tracks the average time in seconds that a customer waited before their call is answered by a CSR. AUF’s goal is to achieve an average answer time of 60 seconds. AUF dipped below this goal only once in during the Phase II Monitoring period (in July, 2010) where the average answer time was 61 seconds. It should also be noted that AUF’s self-imposed goal is have 80% of all calls answered in less than 90 seconds. AUF has consistently met this goal with the minor exceptions in June (74%), July (75%) and October (79%) when there was an unexpected increase in the number of calls into the call center.

OPC also claims that customers have difficulty in reaching AUF regarding service issues. OPC bases this claim on unsworn customer comments offered at the customer meetings last fall. AUF responded to customers' concerns immediately following the customer meetings. See Exhibit "B". As indicated in that exhibit, AUF has found nothing to support the customers' claims. This is consistent with the data submitted in AUF's monitoring reports. Notably, OPC was very interested in response times for service orders during the time that OPC met with AUF to develop the Phase II Monitoring Plan. AUF and OPC ultimately agreed that the most appropriate method to monitor AUF's service order response time was through the Service Order Report which tracks service orders. Service orders are created for different reasons, including but not limited to: requests to repair a broken meter, requests to investigate a leak, and a high bill request which warrants a meter test. The results of the Service Order Reports are discussed on pages 15-16 of AUF's Final Report and show that AUF vigilantly tracks service orders and consistently follows through on customer requests.

BILLING ISSUES

OPC mentions that during the customer meetings last fall, some customers had expressed concern over "high bills due to backbilling by Aqua." OPC, however, fails to advise the Commission that AUF responded to customers' concerns immediately following the customer meetings. See Exhibit "B". In addition, OPC fails to acknowledge that backbilling is not an anomaly,⁶ and water and wastewater utilities are expressly allowed to backbill for up to 12 months pursuant to the Commission's Rule 25-30.350. AUF strictly adheres to the Commission's backbilling rule and disputes any suggestion to the contrary by OPC.

⁶ It is important to keep in mind that there are a variety of reasons for a utility to backbill a customer. For example, backbilling may be needed when a new customer moves in during the middle of a billing cycle. Backbilling also may be necessary where a meter is damaged in which case a customer receives an estimated bill. Under that scenario, after the meter is repaired and an actual reading is taken, the customer will receive a revised bill with actual consumption.

OPC also alleges that some customers were informed by AUF CSRs that they would have to pay a bill in full or else service would be terminated. AUF disagrees with OPC's allegations and affirms that it follows all of the Commission's regulations on termination procedures and affords eligible customers an opportunity to be placed on payment arrangements, particularly if there is a backbill situation. See Exhibit "B".

AUF also strongly disagrees with OPC's statements that during the Phase II monitoring period AUF's call center received "977 complaints regarding high bills" and "400 billing disputes". AUF respectfully submits that it is misleading to characterize the calls to AUF's Call Center regarding high bills as "complaints." By definition, customers invariably call a utility's "call center", often to discuss rates and bills especially in and around the time of a rate case. OPC's use of the term "billing disputes" is also misleading. Again, customers invariably call a utility's "call center" to question bills, particularly in and around a rate increase. Thus, there is nothing inappropriate or unusual about the AUF's call center receiving calls from customers which question and dispute charges on bills, especially in the midst of a pending rate case where interim rates have been implemented.

OPC also claims that 145 "complaints" were received at AUF's call centers relating to "no bills". AUF objects to OPC's characterizations of these types of calls as "complaints". AUF's call centers routinely receive "no bill" inquiries from customers. Such calls are not indicative of poor service. For example, no bill inquiries often arise where there is delay in the U.S. mail, a transfer of a billing address between a primary and secondary residence, or a customer facing collection issues. OPC refers to oral comments made by Ms. Erica White at the Lakeland customer meeting in which the customer alleged that she did not receive a bill. It

should be noted that AUF spoke with Ms. White following the customer meeting and she advised that she did in fact consistently receive a monthly bill from AUF.

Environmental Compliance

OPC makes passing reference to three areas of concern related to environmental compliance: “untimely boil water notices”; “failure to respond timely to problems”; and “secondary water quality issues”. OPC’s concerns in these areas are based exclusively on customer comment made at the customer meetings in Docket No. 100330-WS. While AUF does not agree that OPC’s concerns are valid, it hopes to continue to proactively work with the OPC on these issues and provides the following information to address any lingering concerns.

Boiled Notice Requirements

AUF strictly enforces and follows DEP’s guidelines on issuing boil water notices. See Exhibit “C”. Once an incident occurs that requires a boil water notice, AUF’s policy is to hand deliver the boil water notice to its affected customers by physically hanging the notice on the customer's door. All boil water notices remain in effect until a sample is taken and tested by an independent lab and found to be safe and satisfactory. Once the results are received and reviewed, AUF field staff will hand deliver a rescind notice to all affected customers. The rescind notice is hung on the customers door. Note that not all customers in a system may be affected by the boil water notice. Depending on the circumstances, it could be limited to a certain neighborhood or street.

AUF reviewed the customer comments made at the customer meetings alleging that they did not receive a proper boil water notice. As set forth in Exhibit “B”, AUF provided a response to these customers’ comments after each customer meeting, and has confirmed that boil water notices were properly issued in all of the affected areas.

The OPC also claims that the greatest number of calls made to Aqua's call center during the Phase II monitoring period was due to "no water". "No water" comments are similar to "no electricity" calls in the electric utility industry and are often caused by unexpected main breaks, by storm systems that knock out power to generators that service the water treatment plants, or by construction activities by other contractors and/or other utilities, i.e. cable, telephone.

Service Order Response Time

OPC notes that customers had expressed concern at the customer meetings about AUF's alleged failure to timely respond to maintenance problems. However, OPC fails to advise the Commission that AUF reviewed and responded to customer comments immediately following the customer meetings. See Exhibit "B". Furthermore, as mentioned previously, response time to address maintenance issues was a topic of much discussion when AUF and the OPC worked together to identify the types of metrics which would be included in the Phase II monitoring reports. The OPC and AUF ultimately agreed to utilize the Service Order Report to track and monitor response time to service orders. AUF has set an internal goal of closing all service orders within fourteen days, with seven days being the goal. The Service Order Reports filed by AUF in this docket show that the overwhelming majority of service order requests have been addressed within these timelines.

It also should be noted that AUF pays particular attention to a service order identified as an emergency. Emergency orders are identified and addressed immediately.


***OPC COMPLETELY OVERLOOKS AUF'S EFFORTS
TO ADDRESS SECONDARY WATER QUALITY ISSUES***

OPC inexplicably fails to acknowledge that AUF has made, and continues to make, significant efforts to address secondary water quality. In fact, many of the capital improvements included in the current rate case before the Commission in Docket No. 100330-WS are directly related to projects identified by the Joint Secondary Water Quality Task Force in which the OPC participated. Although secondary water quality standards are typically not enforced by DEP and EPA, AUF takes secondary water quality issues very seriously. For example, the system serving Ms. Peggy Welch (who spoke on aesthetics at the Lakeland customer meeting) is part of the Secondary Water Quality Project. Likewise, the system serving Ms. Lynda Witkopp (who spoke on water quality at the New Port Richey customer meeting), is part of the pro forma improvement project in AUF's current rate case.

CONCLUSION

For almost two years now, AUF's customer service has been the focus of a rigorous and unprecedented review by the Commission, its Staff, the OPC, and other parties. AUF has timely complied in all respects with the monitoring and reporting requirements imposed by the Commission and, in so doing, has incurred significant costs. During the course of this intensive monitoring, AUF has supplied the Commission, the OPC and the parties with thousands of pages of data, documents, audio tapes, and reports. That information clearly shows that AUF has good customer service and consistently complies with environmental requirements. AUF appreciates OPC's comments and commits that it will continue to work with OPC to ensure that its good customer service will be maintained into the future.

Respectfully submitted this 12th day of April, 2011.


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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was furnished by U.S. Mail


this 12th day of April, 2011 to:

Ralph Jaeger
Caroline Klancke
Office of General Counsel
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Aqua Utilities Florida/OPC
Agreement on Scope of Phase II Monitoring

1. Reports to Provide Staff and OPC

Aqua will file the following monthly reports that are utilized by Aqua to track service performance:

a) **Management Quality Performance Report (Example attached as Exhibit "A").**

This report tracks on a monthly basis the reasons for customer calls. The report provides management an understanding of recent performance and any concerning trends. Variances or changes are reviewed and investigated by management each month. For example, if a month shows elevated "no water" calls, the outage history in that area is investigated. Aqua will provide the historical trend line for this report. Aqua will also provide the supporting non-proprietary information for each of the complaint-related calls that underlies the monthly reports. In addition, Aqua will provide a monthly "Florida Scorecard", which will include quality of service metrics, with the understanding that this "Scorecard" is a work in progress and is used internally by Aqua for evaluating job performance.

b) **Call Center Monitoring Statistics Report (Example attached as Exhibit "B").**

Using this report, Aqua tracks the key performance indicators of its call centers on a monthly basis. This information is used to ascertain whether Aqua is meeting its targeted service performance levels. Aqua will also provide a monthly CSR Call Quality Report for all call centers through December 31, 2010, and on a historical basis. The CSR Call Quality Report will be formatted such that monthly data can be tracked for each of the calls centers separately, including the Cary, N.C. call center. In its initial report, Aqua will provide a narrative of the company's efforts to ensure quality control at its call centers.

c) **Estimated Read Report (Example attached as Exhibit "C").**

An estimated read report is circulated and reviewed to track estimated reads on a monthly basis. Estimated reads can occur for varying reasons, *e.g.* weather, malfunction of the meter, etc. Aqua tracks its estimated reads and investigates concerning trends.

2. Tracking of PSC complaints will be covered by PSC staff under the Pac's current tracking system.

3. Aqua and OPC agree that the production of sound recordings and meter logs should be eliminated.

4. Aged Service Order Status Report (Example attached as Exhibit "D").

In order to address the OPC's concern regarding "missed commitments" Aqua will file its monthly Aged Service Order Status Reports for all customer initiated calls. This report is utilized by management to track AUF's service order log and the timeliness of closing of service order requests. This report includes, for example, service orders related to water quality service, no water reports, and requests to fix a broken meter.

5. In order to better apprise the OPC of Aqua's commitment to quality of service, during the Phase II Monitoring, Aqua will provide for an OPC representative to visit one of its call centers and tour the facility.

6. Establish Joint Secondary Water Quality Task Force

- **Monitoring Aesthetics.** AUF will agree to monitor on a monthly basis through December 31, 2010 secondary constituents under the Florida and Federal Safe Drinking Water Acts, and report the results. Monitoring will be performed on seven of AUF's systems: Tangerine, Zephyr Shores, Tomoka, Leisure Lakes, Lake Josephine, Rosalie Oaks and Sebring Lakes. AUF identified these 7 systems utilizing the following criteria:
 - Review of comments from customers at public hearing
 - Internal review of number of customer inquiries dealing with water quality issues
 - Review of water quality data on Secondary Water Quality results
 - Information from Area Coordinators on aesthetic issues they deal with in their systems
 - Survey results from customers
- **Meetings with OPC, parties and Designated Customer Representatives (14 in Total)**
 - **First Meeting:** By the end of Month 2 of the monitoring program, AUF will meet with OPC, parties and 1 or 2 designated customer representatives at each of the 7 system locations to constructively discuss the aesthetic concern effecting the system and possible solutions to the aesthetic concern
 - **Second Meeting:** By end of Month 4, AUF will have follow-up meetings with those participating in the First Meeting to continue to discuss aesthetic concerns and focus more on possible solutions and associated costs

- Mid-Point Meeting with FPSC Staff
 - By the end of Month 3, AUF will meet with staff (and OPC and the other parties) in Tallahassee to discuss the results of aesthetics monitoring and possible solutions to aesthetic concerns

7. Annual Report by Aqua to the Commission

Aqua will submit a report by February 2011 summarizing the results of its Phase II reporting requirements, which will include a briefing on the results of its meetings with customers in connection with the Joint Secondary Water Quality Task Force.

- 8. During Phase II Monitoring, Aqua will file copies of the reports within 1 month and 10 days of the end of the relevant period.** For example, reports for the month of May will be filed not later than July 10, 2010.
- 9. The Commission will decide whether the docket should be closed after reviewing all of the data submitted during the Phase II Monitoring process.**

EXHIBIT B

1. Joan Leitch

The OPC referred to Ms. Leitch's oral comments made at the Sebring customer meeting regarding alleged improper demeanor of an AUF customer service representative (CSR). OPC provides no indication of when the incident occurred although the customer alleged that the call occurred "a while back." AUF expects all of its CSRs to treat customers with respect and handle calls with courtesy. AUF's research of this account shows that Ms. Leitch contacted the call center several times in 2007, and once in 2008, 2009, and 2010. The last contact this customer had with the call center was in March 2010 when AUF's field technician visited the property and found a small drip leak in her bathroom. AUF's research has revealed nothing to support the customer's allegation that she had been treated rudely. This is consistent with the Commission's earlier findings in this docket regarding the demeanor of AUF's CSRs. Indeed, the Commission expressly recognized last March that its Staff had independently evaluated sound recordings for "635 randomly selected customer calls" to AUF's call centers, as well as 103 specific recordings, for a total of 738 recordings. Order No. PSC-10-0218-PAA-WS at p. 4. The Commission went on to affirm that, "[o]ut of the 738 total sound recordings reviewed, our staff thought that the majority were handled in a courteous and professional manner and the representatives were taking the appropriate action to resolve all issues in the call." Id. at p. 6.

2. Jonathan Patton

OPC referred to the oral comments made by Mr. Patton at the Sebring customer meeting regarding CSR demeanor. On December 1, 2010, AUF supplied its response to the Sebring customer meeting. Again, AUF's CSRs are expected to conduct themselves with the highest regard for customers and are monitored on a monthly basis in regard to demeanor and customer interaction skills. AUF's research into this account has revealed nothing to support the customer's allegation that he had been treated rudely. Again, this is consistent with the Commission's earlier findings in this docket regarding the demeanor of AUF's CSRs.

Mr. Patton also provided oral comments concerning consumption fluctuations. In turn, PSC staff requested that AUF provide records of customer contact which were provided in AUF's follow up report and summarized below. In response to Staff's request, AUF researched Mr. Patton's usage. That research shows that his usage increased during the months of:

- July 2009 - 10,200 gallons
- August 2009 - 15,300 gallons
- September 2009 - 10,900 gallons

However, his usage went back down in the months of:

- October 2009 - 5,700 gallons
- November 2009 - 5,400 gallons

The customer's wife called in August 2009 in regards to high bill and was advised to check the property for leaks. She called back on October 14, 2009 regarding her past due balance and to see if AUF had received payment in the amount of \$100. She was

advised that payment had not been received. She was also advised that a payment of \$100 was not sufficient to stop the shut off, since the past due balance was \$220.76 at that time. Mr. Patton called on October 15, 2009 and asked if AUF had received the payment for \$100. He was advised that the payment had not been received, and again that \$100 was not sufficient to stop the shut off. He was further advised that he was not eligible for any further monthly payment arrangements. Aqua did offer to place a courtesy hold on the account to allow a couple more days for his payment to be received and for him to pay the difference. Mr. Patton then requested to speak to a supervisor, and in turn the call was transferred to the senior representative.

The senior representative spoke to Mr. Patton, who for the first time mentioned that he was not receiving his bills. He was then advised that AUF had no records showing that the bills had been returned to the company. The senior representative advised him that \$220.76 needed to be paid by October 19th in order to guarantee service. Again he was informed that he was not eligible for any further arrangements because he had been offered two previous payment plans in July 2009 and September 2009 and had defaulted on both.

Mr. Patton called on again on October 18, 2009 and made a payment in the amount of \$120.76. In addition, his mailed payment of \$100, which was subsequently posted on October 20, 2009, thus satisfying the shut off amount. Mr. Patton stated he will continue to make payments on the account.

With respect to late payment charges, review of this customer's payment history shows that he has been late on payments each month. This account has not been at a zero

balance since it was opened back in March 2009. Furthermore, Shut Off for Non-Payment (SNOP) notices have been sent 6 out of the 20 months that Aqua has provided service to the customer. This chronic delinquency in payment has resulted in late fees which are authorized under AUF's tariff.

3. Ray Thompson

The OPC referred to oral comments made by Mr. Thompson made at the Greenacres customer meeting. Specifically Mr. Thompson alleged that he had called AUF about a \$25 late fee and "...they put me on hold for 20 minutes." AUF's research has revealed nothing that supports the customer's allegation. AUF agrees that a hold time of 20 minutes, if accurate, is unacceptable. If a call would require 20 minutes, AUF CSRs are instructed to periodically check in on the customer or advised to tell the customer that the Company will research the issue and receive a call back. Mr. Thompson has received several late fee charges on the following dates: 11/8/2009, 10/7/2009, 1/9/11, 2/7/11 and 3/9/11. Two termination notices were mailed to the property. In addition, the call center received a call from Mr. Thompson on November 22, 2010 indicated that he was moving out. On November 23, 2010, the call center received a call indicating that another person was moving in, who according to the customer notes was Mr. Thompson's mother. The account was subsequently put back into Mr. Thompson's name.

4. Victor Gustin

OPC refers to Mr. Gustin's oral comments at the Palatka customer meeting in which he alleges that he has had difficulty in contacting AUF CSRs. According to AUF's records, Mr. Gustin has been in contact with the Company on several different occasions and in each case AUF was responsive to his concerns. Mr. Gustin was in contact with the Company in 2009 requesting new service. In June 3, 2010, he contacted the Company about a boil water notice. In August 9, 2010, Mr. Gustin contacted the Company regarding a change to his billing address which was made. On August 17, 2010, Mr. Gustin contacted the Company to verify a payment.

5. David Pontes

OPC refers to Mr. Ponte's oral comments at the Lakeland customer meeting where the customer alleged that a lift station alarm had gone off for several days before AUF sent out a service technician. AUF has reviewed this account, which is listed under a different name. AUF's records indicate that this customer has contacted the Company three times in 2006, one time in 2009 and two times in 2010 regarding the status of an outage. In regard to the lift station alarm, new bowl and cutter impellers were installed to decrease clogging issues from fibrous materials flushed into the collection system in order to address the alarm conditions. The station is monitored no less than twice each week to ensure that the pumps are not clogging. AUF will install an autodialer in order to give field staff notice prior to the station reaching alarm conditions should the situation occur in the future.

6. Patricia Davis

OPC refers to oral comments made by Ms. Davis' at the Palatka customer meeting where the customer alleged that her husband had called three times regarding a property maintenance issues. On November 23, 2010, AUF supplied its response to the Palatka customer meeting.

Specifically, Ms. Davis alleged that AUF has not been maintaining its Palatka facilities for over 10 years. She stated that in the past a customer mowed this property in exchange for being able to park his boat on Aqua property. To the contrary, over the past 10 years AUF has utilized a contract service provider and has maintained the property in question. There have been no arrangements under AUF's ownership allowing anyone to park their personal property at its facility locations. In response to a PSC staff question at the meeting regarding when Ms. Davis contacted AUF concerning the mowing of the grass, the customer responded that it was in 2007. Ms. Davis also indicated that the property is now being maintained.

7. Diane Manzo

OPC referred to oral comments of Ms. Manzo made at the New Port Richey customer meeting. Ms. Manzo expressed concern about variations in usage on her bill. On November 23, 2010, AUF supplied its response to the New Port Richey meeting to Commission Staff and the parties. In review of this account from January 2009 to November 2010, shows that Ms. Manzo's usage has remained relatively constant with the limited exception of a few months where usage went up and then back down to a steady level. In November of 2009, the customer had a leak on her side of the meter which

resulted in the highest monthly usage 10,500 gallons. In 2010 the customers usage spiked in June and July. AUF's records indicated that the Company has not received any calls from Ms. Manzo concerning consumption since November of 2009 when the leak was detected on her side of the meter .

8. Peter Maceri

OPC refers to Mr. Maceri's oral comments made at the Sebring customer meeting, where Mr. Maceri discussed his bills and a leak that occurred on his property. OPC mischaracterizes this customer's concern as a high usage dispute. In actuality, the customer had a leak and requested a leak adjustment. Mr. Maceri commented that since the meter was read during a leak incident, AUF should have notified him that he had an ongoing leak. The PSC Staff requested that AUF explain its procedure for notifying customers of problems on their side of the meter. AUF provided its leak adjustment policy December 1, 2010. The Company explained in its follow up report that on December 7, 2009, Mr. Maceri called and advised that when he returned home from vacation, he detected a leak on his side of the meter. Mr. Maceri was informed of AUF's leak adjustment policy, which is 50% of the bill for that event, requires that the customer submit data that shows that the leak has been repaired. (Examples of such documentation include a plumber's bill or an invoice showing that the customer bought parts to repair the leak.)

Mr. Maceri disputed AUF's leak adjustment policy and wanted a further adjustment. On December 16, 2009, AUF visited the property to gather a meter read based on Mr. Maceri dispute of his consumption. The customer told the AUF technician

he had a leak; however, at this time there was no leak visible. Mr. Maceri continued to object the way AUF calculates leak adjustments. Mr. Maceri's account was revisited in billing and with local senior management and received additional adjustments on his account for this leak, bringing total adjustments to \$2,158.21.

9. Kim Parizo

OPC referred to Ms. Parizo's oral comments made at the Lakeland customer meeting where the customer expressed concern about a high bill in a particular month.

Ms. Parizo indicated that she was billed for 14,000 gallons in June of 2010, during which month she stated she was not at home for several days. AUF reviewed Ms. Parizo's account since 2006. That review shows that the customer has always maintained at least this usage level of 14,000 gallons. Ms. Parizo usage has remained constant at this level before and after AUF's new meters were installed. There were periodic spikes which may be indicative of usage for pool and/or irrigation.

10. Erica White

OPC referred to Ms. White's comments made at the Lakeland customer meeting, where the customer expressed concerns that she received a high back bill and did not receive bills. AUF provided its response to the Lakeland customer meeting on December 1, 2010. Based on AUF's review, Ms. White's concerns stemmed from her receiving estimated bills during the period July 2009 through November 2009 due to a failed ERT unit. After AUF replaced the ERT unit, AUF billed Ms. White's account based on an actual read. The customer was offered a payment arrangement and to allow her to pay the bill based on actual usage over time in accordance the Commission's backbilling rule.

In addition, AUF contacted Ms. White after the customer meeting to discuss her statement about not receiving bills. At that time, Ms. White stated she did, in fact, receive bills from AUF for service and confirmed that she has no further billing issues.

11. Steve Brunner

OPC refers to comments made by Mr. Brunner at the Ft. Myers customer meeting, where the customer alleged that he had not received a bill for several months. As explained below, the issues raised by this customer related to a dispute over the fact that there is no provision in AUF's tariff for a "deduct meter". Upon review, there were several months where certain bills were briefly delayed so that AUF could review them and attempt to reconcile the deduct meter account.

As indicated, Mr. Brunner's concerns related primarily to the fact there is no "deduct meter" provision in AUF's tariffs. This is a wastewater only system and the water meters are owned by a separate and unrelated water provider. If a deduct meter exists at the property, these deduct meters were installed and are owned by the respective homeowner associations. AUF does not own any water meters in its South Seas wastewater system.

Mr. Brunner is a new property manager who recently took over for Mr. Randy Didier, the previous manager. AUF had met with Mr. Didier numerous times over the past year, beginning in March 2010 and continuing through June 2010. AUF has also met with members of some of the other property-owner associations in the South Seas area. AUF made field visits to these locations and conducted a thorough analysis of each location. During the field visits with the previous property manager and with the

associations, it was discovered that some of the associations did not even have a deduct meter.

The majority of the "deduct meter" issues were resolved as a result of the numerous meetings held with Mr. Didier. One exception was the Beach Villas III association where dispute resolution efforts were interrupted when Mr. Didier left the management company. After the customer meeting in Ft. Myers on November 18, 2010, AUF held several discussions with Mr. Brunner believes a resolution has been reached.

OPC also refers to Mr. Brunner's comments regarding a sewage back up. The Commission staff specifically requested information concerning this incident which was related to liftstation malfunctions that occurred in September of 2009. AUF indicated that there were five abnormal events that took place involving the South Seas system: three at Lift Station #4; and, two at Lift Station #2. All events were reported to the DEP and cleanup activities occurred promptly. The events involving Lift Station # 4 were due to both pumps tripping the heater overload switches which caused one of the pumps to ultimately fail. Both pumps have been replaced by AUF. The events involving Lift Station # 2 were due to a breaker tripping on both occasions. The AUF technician had checked the panel and breakers for loose connections. This lift station has not had any further issues to date. During this past year there has been over \$46,000 in capital investments in the South Seas lift stations to replace pumps and control cabinets, upgrade the power supply and repair a part of the collection line.

12. Bryan Rule

OPC refers to oral comments made by Mr. Rule at the Lakeland customer meeting concerning a water pressure issue and a phone call to the Company which, in turn, advised him about a boil water notice. On December 1, 2010, AUF supplied its response to the Lakeland customer meeting and explained that there was an outage on July 20, 2010 due to a leaking valve. A boil water notice was promptly issued on the same day, and was subsequently lifted on July 22, 2010. Another water outage occurred on September 7, 2010 due to a contractor damaging AUF's water pipe and all customers were promptly issued a Boil Water Notice that same day. The repair occurred on September 9, 2010, and the Boil Water Notice was lifted on September 10, 2010.

13. Larry Matthews

OPC referred to oral comments made by Mr. Matthews at the Palatka customer meeting where the customer alleged that he had not received a boil water notice in some time. AUF respectfully disagrees with this allegation. On November 23, 2010, AUF supplied its response to the Palatka customer meeting where it explained that AUF has properly provided Boil Water Notices to all affected customers of this system via door hangers.

14. Shirley Crosby

OPC referred to oral comments made by Ms. Crosby at the Gainesville customer meeting. The customer alleged that AUF failed to promptly repair a broken water pipe. Ms. Crosby indicated that she contacted the Health Department. Notably, Ms. Crosby did not contact the Company directly. AUF supplied its response to the Gainesville

customer meeting. This was a trickle leak that was brought to the attention of the AUF Field Supervisor by DEP in late February 2010. Due to the minor nature of the leak, a schedule to replace the valve was timely prepared so proper notification could be provided to the customers and regulatory agencies. The valve was replaced on March 2, 2010. In addition, AUF's monthly operating reports do not indicate any major leaks in this system.

15. Greg Andes

OPC referred to oral comments made by Mr. Andes at the Eustis customer meeting. Mr. Andes concerns related to AUF's flushing practices. AUF thoroughly reviewed this account and provided a response following the Eustis customer meeting. Mr. Andes lives at the last house on a dead end street. Since moving to his residence, AUF has been to Mr. Andes home twice. The first time was July 2009 to address Mr. Andes' concern on fluoride, which Aqua does not add to the water. The second time was August 2009 to address odor concerns. This part of the Fairways system has been placed on a Flushing Program that is implemented quarterly. Since the last visit in August 2009, this customer has not called to report any additional odor issues.

16. Peggy Welch

OPC refers to Ms. Welch's comments about water quality. It appears that Ms. Welch contacted the company in December 2009 regarding an odor and rate issue. Ms. Welch resides in Zephyr Shores which is a community of about 500 Aqua Utilities Florida customers in Pasco County. Aqua has worked diligently over the past several years to improve the operation and reliability of the Zephyr Shores system. As the

Commission noted in Aqua's last rate case decision, Aqua installed a second well and a generator to the system and entered a consent order with the FDEP to address reliability and permitting issues. That consent order was closed on October 29, 2007.

Aqua recently installed new flushing equipment and devised a systematic flushing schedule to clean the water mains. The program involves operating valves in a specific sequence to maximize the effectiveness of the flushing. This plan will address accumulated natural deposits in the mains and will reduce the incidents of discolored water. Natural minerals in the water can also cause staining or deposit scale on fixtures over time and leave spots on glasses and dishes. In March 2010, Aqua designed, permitted and installed a "sequestration" treatment system that will reduce the effects of natural minerals in the water.

17. Lori Moritz

OPC referred to oral comments made by Ms. Moritz at the New Port Richey customer meeting that she had sediment in her water and poor water quality. Ms. Moritz resides in the Palm Terrace water system. As indicated in AUF's response to the New Port Richey customer meeting, in the Palm Terrace system, AUF purchases its water directly from Pasco County. The water quality in Palm Terrace is in compliance with DEP regulations.

18. Lynda Witkopp

Ms. Witkopp commented about water quality issues at the New Port Richey customer meeting. She stated that she went away for a week and when she returned there was

black water. Ms. Witkopp resides in Jasmine Lakes. There are no outstanding water quality issues in this system and it is compliance with DEP regulations.

EXHIBIT C

62-560.410 Public Notification - Primary Standards.

(1) Maximum Contaminant Level, Maximum Residual Disinfectant Level, Treatment Technique Requirement, Variance or Exemption Schedule Violations, and Exceedances. The owner or operator of a public water system that fails to comply with an applicable maximum contaminant level, maximum residual disinfectant level, or treatment technique requirement established by Chapter 62-550, F.A.C., or that fails to comply with the requirements of any schedule prescribed pursuant to a variance or exemption shall notify persons served by the system. Public water systems that sell or otherwise provide drinking water to other public water systems are required to give notice to the owner or operator of the consecutive system; the consecutive system is responsible for providing public notice to the persons it serves. Systems shall notify persons served as follows:

(a) Except as provided in paragraph (1)(c) or (1)(d) of this section, the owner or operator of a public water system shall give notice:

1. For violations, exceedances, situations, or failures, that may pose an acute risk to human health, by furnishing a copy of the Tier 1 notice to the radio and television stations that broadcast in the area served by the public water system as soon as possible but in no case later than 24 hours after the system learns of the violation, exceedance, situation, or failure, unless otherwise directed by the Department to provide such public notice sooner because of the nature of the risk. The system shall also initiate consultation with the Department as soon as possible, but in no case later than 24 hours after the system learns of the violation, exceedance, situation, or failure, as described in subparagraphs a. through g. below, to determine additional public notice requirements that may be necessary to protect public health. The following violations, exceedances, situations, or failures are acute risks to public health:

a. Exceedance or violation of the maximum contaminant level for nitrate, nitrite, or total nitrate and nitrite, as specified in Rule 62-550.310, F.A.C., and determined according to subsection 62-550.512(3), F.A.C.

b. Violation of the maximum contaminant level for fecal coliform or *E. coli* in the water distribution system, as specified in paragraph 62-550.310(5)(b), F.A.C., or failure to test for fecal coliforms or *E. coli* when any repeat sample tests positive for coliforms as specified in subsection 62-550.518(10), F.A.C.

c. Occurrence of a waterborne microbial disease outbreak, as defined in Rule 62-550.200, F.A.C., or other waterborne emergency, a failure or significant interruption in water treatment processes, a natural disaster that disrupts the water supply or distribution system, or a chemical spill or unexpected loading of possible pathogens into the source water that has the potential for adverse effects on human health as a result of short-term exposure.

d. Other violation or situation that has the potential for adverse effects on human health as a result of short-term exposure, as determined by the Department based on a review of the facts and available toxicological and analytical data.

e. Violation of the maximum residual disinfectant level for chlorine dioxide in the water distribution system, as specified in subsection 62-550.310(2), F.A.C., and Rule 62-550.821, F.A.C.

f. Violation of the Surface Water Treatment Rule (SWTR) or Interim Enhanced Surface Water Treatment Rule (IESWTR) treatment technique requirements resulting from a single exceedance of the maximum allowable turbidity limit, as specified in Rule 62-550.817, F.A.C., when the Department determines after consultation with the public water system that a Tier 1 notice is required, or when consultation is not initiated by the public water system within 24 hours after the system learns of the violation. If, after consultation, the Department determines that this violation is non-acute, then public notice shall be provided in accordance with subparagraphs (1)(a)2. and 3. of this subsection. If, after consultation, the Department determines that this violation is acute, then public notice shall be provided within 24 hours after the consultation, in accordance with subparagraph (1)(a)1. of this subsection.

g. Violation of the turbidity MCL, as specified in subsection 62-550.817(2), F.A.C., when the Department determines after consultation with the public water system that a Tier 1 notice is required, or when consultation is not initiated by the public water system within 24 hours after the system learns of the violation. If, after consultation, the Department determines that this violation is non-acute, then public notice shall be provided in accordance with subparagraphs (1)(a)2. and 3. of this subsection. If, after consultation, the Department determines that this violation is acute, then public notice shall be provided within 24 hours after the consultation, in accordance with subparagraph (1)(a)1. of this subsection.

2. For violations of a non-acute maximum contaminant level, maximum residual disinfectant level, treatment technique requirement, and variance or exemption schedule that are not described in subparagraph (1)(a)1. of this subsection, a Tier 2 notice shall be provided by mail delivery (by direct mail or with the water bill), or by hand delivery, as soon as possible, but not later than 30 days after the system learns of the violation, situation, or failure, to each customer receiving a bill and to other service connections to which water is delivered by the public water system; and

3. By publication in a daily newspaper of general circulation, other than a newspaper established primarily for the publication

of legal notices, in the area served by the system as soon as possible, but in no case later than 30 days after the system learns of the violation, situation, or failure. If the area served by a public water system is not served by a daily newspaper of general circulation, notice shall instead be given by publication in a weekly newspaper of general circulation, other than a newspaper established primarily for the publication of legal notices, serving the area.

(b) Except as provided in paragraph (1)(c) or (1)(d), after the initial notice given under paragraph (1)(a) of this section, the owner or operator of the public water system shall give notice at least once every three months by mail delivery (by direct mail or with the water bill) or by hand delivery, for as long as the violation, exceedance, situation, or failure exists.

(c) In lieu of the method of delivery requirements of paragraphs (1)(a) and (1)(b), the owner or operator of a community or non-transient non-community water system may, unless otherwise directed by the Department in writing based on its assessment of the violation or situation and the potential for adverse effects on public health and welfare, give notice by hand delivery and by continuous posting in conspicuous places within the area served by the system. Notice by hand delivery and posting shall begin as soon as possible, but no later than 24 hours after the system learns of the violation, exceedance, situation, or failure for acute violations, or as soon as possible, but no later than 30 days after the system learns of the violation, situation, or failure for any other violation, situation, or failure. Posting shall continue for as long as the violation, exceedance, situation, or failure exists, but in no case for less than 7 days even if the violation, exceedance, situation, or failure is resolved. Notice by hand delivery shall be repeated at least every three months for as long as the violation, exceedance, situation, or failure exists.

(d) In lieu of the method of delivery requirements of paragraphs (1)(a) and (b) of this section, the owner or operator of a transient non-community water system may, unless otherwise directed by the Department in writing based on its assessment of the violation or situation and the potential for adverse effects on public health and welfare, give notice by hand delivery or by continuous posting in conspicuous places within the area served by the system. Notice by hand delivery or posting shall begin as soon as possible, but no later than 24 hours after the system learns of the violation, exceedance, situation, or failure for acute violations, exceedances, situations, or failures; or 30 days after the system learns of the violation, situation, or failure for any other violation, situation, or failure. Posting shall continue for as long as the violation, exceedance, situation, or failure exists, but in no case for less than 7 days even if the violation, exceedance, situation, or failure is resolved. Notice by hand delivery shall be repeated at least every three months for as long as the violation, exceedance, situation, or failure exists.

(2) If a public water system has a violation, exceedance, situation, or failure in a portion of the distribution system that is physically or hydraulically isolated from other parts of the distribution system, the Department may allow the system to limit the distribution of the public notice to only persons served by that part of the system which is out of compliance. Permission by the Department for limiting distribution of the notice shall be based on a review of the water system and the data leading to the violation, exceedance, situation, or failure and must be granted in writing.

(3) Other Violations, Variances, or Exemptions. The owner or operator of a public water system that fails to perform monitoring required by Part V or Part VIII of Chapter 62-550, F.A.C., or is subject to a variance or an exemption granted under Part V of Chapter 62-560, F.A.C., shall provide a Tier 3 notice to all customers served by the system as follows:

(a) Except as provided in paragraph (3)(b), (3)(c), or (3)(d) of this section, after the system learns of the violation or the granting of a variance or exemption the owner or operator of a public water system shall give notice within three months by mail or other direct delivery to each customer receiving a bill and to other service connections to which water is delivered by the public water system; and by publication in a daily newspaper of general circulation, other than a newspaper established primarily for the publication of legal notices, in the area served by the system. If the area served by a public water system is not served by a daily newspaper of general circulation, notice shall instead be given by publication in a weekly newspaper of general circulation serving the area, other than a newspaper established primarily for the publication of legal notices. Repeat notice of the violation or the existence of a variance or exemption shall be given every three months for as long as the violation continues or the variance or exemption remains in effect.

(b) In lieu of the requirements of paragraph (3)(a) of this section, the owner or operator of a community or non-transient non-community water system shall give notice by mail or other direct delivery to each person served, within three months after the system learns of the violation or granting of the variance or exemption, and by continuous posting in conspicuous places within the area served by the system. Posting shall continue for as long as the violation exists or a variance or exemption remains in effect, but in no case for less than 7 days even if the violation is resolved. Notice by mail or other direct delivery shall be repeated at least every three months for as long as the violation exists or a variance or exemption remains in effect.

(c) In lieu of the requirements of paragraph (3)(a) of this section, the owner or operator of a transient non-community water

system shall give notice, within three months after the system learns of the violation or the granting of the variance or exemption, by hand delivery or by continuous posting in conspicuous places within the area served by the system. Posting shall continue for as long as the violation exists or a variance or exemption remains in effect, but in no case for less than 7 days even if the violation is resolved. Notice by hand delivery shall be repeated at least every three months for as long as the violation exists or a variance or exemption remains in effect.

(d) Public water systems that fail to perform monitoring for nitrite, nitrate, or total coliforms as prescribed in Part V of Chapter 62-550, F.A.C., shall provide notice to the public in accordance with paragraph (1)(a) above as soon as possible, but not less than 30 days after the system learns of the violation.

(4) Notice to New Billing Units. The owner or operator of a community water system shall give a copy of the most recent public notice for every outstanding violation of a maximum contaminant level, maximum residual disinfectant level, treatment technique requirement, monitoring and reporting requirement, or variance or exemption schedule to all new billing units or new hookups prior to or at the time service begins.

(5) General content of public notices. Each notice shall be conspicuous and shall not contain unduly technical language, unduly small print, or similar problems that frustrate the purpose of the notice. Each notice shall include the following 10 standard elements:

(a) A description of the violation, exceedance, situation, or failure, including the contaminant(s) of concern, and (as applicable) the contaminant level(s);

(b) When the violation, exceedance, situation, or failure occurred;

(c) Any potential adverse health effects resulting from the violation, exceedance, situation, or failure, including the required standard language under subsection (6) and (when applicable) subsection (7) of this section;

(d) The population at risk, including subpopulations particularly vulnerable if exposed to the contaminant in their drinking water;

(e) Whether boiled water or alternative sources of water should be used;

(f) What action consumers should take, including when they should seek medical help;

(g) What the system is doing to correct the violation, exceedance, situation, or failure;

(h) When the system expects to return to compliance or resolve the violation, exceedance, situation, or failure;

(i) The name, business address, and phone number of the water system owner, operator, or designee of the public water system as a source of additional information concerning the notice; and

(j) The following standard language to encourage the distribution of the public notice to all persons served: "Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail."

(6) The supplier of water shall include in the notice the applicable language on potential adverse health effects for those contaminants and disinfectants found in Appendix B to Subpart Q of 40 CFR 141, "Standard Health Effects Language for Public Notification," July 1, 2002, and in subparagraph 62-550.824(1)(c)5., F.A.C.

(7) For monitoring violations, the supplier of water shall include the following standard language and the information necessary to fill in the blanks: "We are required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are an indicator of whether or not your drinking water meets health standards. During [fill in compliance period], we did not monitor or test for [fill in contaminant(s)], and therefore cannot be sure of the quality of your drinking water during that time."

(8) Multi-lingual requirement. For public water systems serving 20 percent or more non-English speaking consumers the public notice must contain information in the appropriate language(s) regarding the importance of the notice and contain a telephone number or address where persons served may contact the water system to obtain a translated copy of the notice or to request assistance in the appropriate language.

(9) Consultation requirement. The supplier of water shall initiate consultation with the Department as soon as possible, but no later than 24 hours after the system becomes aware of an acute violation, exceedance, situation, or failure as described in subparagraph 62-560.410(1)(a)1., F.A.C.

(10) Certification requirement. The supplier of water shall satisfy the public notice certification requirements of paragraph 62-550.730(1)(h), F.A.C.

(11) Rescission of Public Notices. The supplier of water shall issue a rescission of public notices provided to customers in accordance with subparagraph 62-560.410(1)(a)1., F.A.C., when the violation, exceedance, situation or failure has been resolved.

The method of delivery of the rescission shall be in the same manner and address the same target audience as the initial public notice. Rescissions shall include all of the following information:

- (a) A description and the date of the original notice;
- (b) Actions taken by the system that resulted in the lifting of the notice;
- (c) The effective date of the rescission; and
- (d) The name, business address, and phone number of the water system owner, operator, or designee of the public water system as a source of additional information concerning the rescission.

Specific Authority 403.861(9) FS. Law Implemented 403.857 FS. History—New 11-19-87, Formerly 17-22.910, Amended 1-18-89, 1-3-91, 1-1-93, 7-4-93, Formerly 17-560.410, Amended 9-7-94, 11-27-01, 1-17-05.