

# LP Waterworks, Inc.

April 30, 2014

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COMMISSION  
CLERK

Office of Commission Clerk  
Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

RE: Docket No. 130153-WS- Application for staff-assisted rate case in Highlands County, by L.P. Utilities Corporation c/o LP Waterworks, Inc.

To Whom It May Concern:

Attached please find LP Waterworks, Inc.'s (LPW) response to staff's Third Data Request submitted on April 22, 2014 in the above referenced docket:

1. Questions 1 and 2 are follow-up questions related to LPW's Response to Staff's First Data Request, item number 5, dated January 27, 2014 (FPSC Document No. 00427-14). The Company's Response included a summary sheet titled "FGUA Benchmarking Results," showing Customer Service Cost and O&M Cost (\$/account) for FGUA South systems.
  - a. For comparative purposes, how do the Customer Service Cost and O&M Cost (\$/account) for Florida Government Utility Authority (FGUA) South systems compare to the same metrics for private systems U.S. Water serves under contract? Please include in your response an explanation why the average Customer Service Cost and O&M Cost (\$/account) for FGUA South systems are lower than U.S. Water's contract with LPW.

**Response:** Pursuant to the Contract entered into on December 27, 2012, LPW employed the services of USWSC in three distinct functions; the operation, maintenance and billing/collection (OM&BC) of the utility systems. This includes (a) Water System Operations; (b) Wastewater System Operations; (c) Maintenance; and (d) Customer Service. For a listing of serviced provided to LPW, see USWSC's Scope of Services – Base Contract Service, Section 2, as well as the cost responsibilities on Table 4 of the contract for both water and wastewater.

LP Waterworks, Inc. (LPW) respectfully submits that it is imperative a clarification be made in order to dispel a misunderstanding on the part of the Commission staff and the Office of Public Council. To be clear, the cost per account for PWW is actually **below** the cost for the FGUA South systems – **not above**. The cost per water account is \$182.04 annually compared to \$263.58 for South and \$263.51 for West. Similarly the cost per wastewater account is \$158.64 annually compared to \$263.58 for South and \$263.51 for West. For the FGUA systems, if they were water and wastewater the combined cost per ERC would be

\$527.16 annually for South and \$527.02 annually for West; this compares favorably to the less combined cost charged to LWW of \$340.68. When taken in total, the average overall cost for LWW is \$171.14 which is well below the charges to FGUA. See below:

**LP**

**Waterworks**

**FGUA Benchmarking**

	<u>Annual</u>	<u>Cust.</u>	<u>Cost/acct</u>		<u>South</u>	<u>West</u>
Water	\$77,187	424	\$182.04	- Customer Service	\$50.58	\$38.51
Wastewater	\$58,696	370	\$158.64	O&M	\$213.00	\$225.00
Total	\$135,883	794	<b>\$171.14</b>	Total/acct	\$263.58	\$263.51

Upon further analysis of the WetCon benchmarking study, there was a flaw in their data table. The underlying data for the "South" was obtained from the AWWA 2011 Benchmarking Performance Indicators. Upon further analysis, it was discovered that the costs in WetCon's table were an average of the two water and wastewater costs. Below is the actual costs contained in the AWWA 2011 Benchmarking Analysis:

<u>AWWA:</u>	Top	Medium	Bottom
O&M cost per customer			
Water - O&M	\$233	\$257	\$331
Wastewater O&M	<u>\$259</u>	<u>\$345</u>	<u>\$426</u>
Total O&M	<u>\$492</u>	<u>\$602</u>	<u>\$757</u>
Average	\$246	\$301	\$379
Customer Service Cost	Top	Medium	Bottom
Average	\$36.43	\$41.16	\$52.38
Total Cost:			
Water:	\$269.43	\$298.16	\$383.38
Wastewater:	<u>\$295.43</u>	<u>\$386.16</u>	<u>\$478.38</u>
Total	<u>\$564.86</u>	<u>\$684.32</u>	<u>\$861.76</u>
<u>Compared to LPW:</u>			
Water	\$182.04		
Wastewater	<u>\$158.64</u>		
Total	<u>\$340.68</u>		
Average	<b>\$171.14</b>		

Also, in the AWWA, there was a further analysis based on company size. When compared to utilities in this study for Population from 0 -10,000 customers, the contrast is much more striking. Below are the numbers from the AWWA study:

Population 0 – 10,000:

O&M cost per customer			
Water - O&M	\$251	\$324	\$ 456
Wastewater O&M	\$399	\$473	\$ 573
Total O&M	<u>\$650</u>	<u>\$797</u>	<u>\$1,029</u>
Customer Service Cost	Top	Medium	Bottom
Average	\$66.31	\$82.26	\$101.19

Each of the Operation, Maintenance, and Customer Service contract that USWC enters into with a party are different and are priced differently depending on numerous factors. This includes the number of utility operation employees needed (Facility Operators and Maintenance Mechanic) and the number of hours required per system. Also whether the contractor provides the cost of the sludge hauling, chemicals, power, offices, etc. or if those costs are borne by the owner. Also the for the regulated utilities, the Utility Manager and Accountant are spread over all ERCs of the regulated utilities plus anticipated growth. As explained in the response to staff's data request in Docket No. 130153-WS – LP Utilities, the contractual monthly charges for these utilities include the operations, accounting, and operation management positions. For the "Administrative Management" portion, this is derived at by using all currently owned or purchased private regulated utilities and dividing these amounts by the existing ERCs and future potential ERCs through growth and potential acquisitions. Thus these costs are lower than actual costs since there is a growth factor built in for potential acquisitions in the future that have not taken place. These amounts are to cover the monthly operational expenses for all the regulated utilities, both present and future. The only portion of the monthly contract amount that is directly related to salaries is as follows:

**USW – Administrative/Management Expenses for ALL regulated utilities**

<u>Employee:</u>	<u>Annual Salary</u>	<u>Time/Week</u>	<u>FTE</u>
Utility Regional Manager	\$ 75,005	40 hrs	1
Accountant	\$ 60,008	40 hrs	1
Total Cost			\$135,013

Divided by:  
 Current ERCs                      5,245 plus 1,000 ERCs future growth/acquisitions = 6,245  
 (This is for current regulated utilities as well as future)

This equates to \$22.41 **annually per ERC** or \$1.87 a month. This does not include any owners' salaries.

Operational Expenses for LPW:

Docket No. 130153-WS  
 Staff Third Data Request

Water:

<u>Employee:</u>	<u>Annual Salary</u>	<u>Time/Week</u>	<u>FTE</u>
Operator	\$ 40,082	6 hr	.15
Maintenance Mechanic (UT) (UT based on ERCs)	\$ 36,816	9.2 hrs	.23
Total Salary Cost			\$21.95

Wastewater:

<u>Employee:</u>	<u>Annual Salary</u>	<u>Time/Week</u>	<u>FTE</u>
Operator	\$ 40,082	6 hr	.15
Maintenance Mechanic (UT) (UT based on ERCs)	\$ 36,816	5.6 hrs	.14
Total Salary Cost			\$11,166

For meter reading, billing and customer service, the costs to the regulated utilities is \$2.58 per month per customer or \$30.90 annually for water; and \$30.90 annually for wastewater.

Further, the WetCon Benchmarking report states, “It is virtually impossible to find any two water utilities that are comparable, given their unique treatment systems, customer bases, permit requirements, operational procedures, capital needs and rate structures. This is particularly true when comparing other systems to FGUA, with its’ geographic spread, diverse customer base and broad range of treatment technologies.”

- b. If known, please state which FGUA South systems were identified to determine the \$50.58 average Customer Service Cost per account and the \$213 average O&M Cost per account.

**Response:**

Golden Gate	Water - 3,704 customers
Golden Gate	Wastewater – 2,333 customers
LeHigh Acres	Water – 12,610 customers
LeHigh Acres	Wastewater – 10,347 customers
North Ft. Myers	Water - 1,871 customers
North Ft. Myers	Wastewater – 11,840 customers

There are three separate contracts for the “South” systems broke out by Golden Gate, LeHigh Acres, and North Ft. Myers. These systems are in close proximity to each other with large number of customers.

- c. Is there an FGUA South system that serves approximately the same number of customers as LPW? If so, how does the U.S. Water Agreement For Service contract

for that FGUA South system compare to LPW's U.S. Water Agreement For Service contract?

**Response:** No there are none the same size and different levels of services are provided to each one depending on treatment, operation, etc.

- d. Please identify all specific services that are included in LPW's U.S. Water Agreement For Service contract that are included under the FGUA South contract.

**Response:** One of the primary differences is the reporting requirements of the Public Service Commission contained in Rule 25-30, Florida Administrative Code, which include but are not limited to, annual reports, regulatory assessment fees, responses to customer complaint inquiries, etc. The FGUA is not regulated by the PSC.

The remaining basic operations, maintenance, and customer service items are similar. See Attachment A entitled "Appendix A" for the basic Operations and Maintenance Service Performance Standards and attached titled "Appendix B" for the Basic Billing and Customer Service Performance Standards. These are from the General Terms Agreement for Utility Operations, Maintenance, Billing and Customer Service for the Lehigh Acres and Golden Gate systems. It is also the same as the North Ft. Myers system. For further information, please see Attachment B.

- e. Please identify all specific services that are not included in LPW's U.S. Water Agreement For Service contract that are included under the FGUA South contract.

**Response:** One of the differences is the level of repair, renewal, and replacement of plant that is included in the basic contract. For LPW the amount that USWC is to cover in the agreement is up to \$400 in repairs and replacements, while the amount in the South contracts is up to \$7,500 in repairs and replacements. This is the same for all of the FGUA contracts. Primarily this is due to the differences in the size of the various utilities. The other is level of staffing. For example, the level of staffing for the North Ft. Myers system is 19 including 6 wastewater operators FTEs, a Chief Operator, a system Manager, 2 Plant Mechanics, a Chief Lift Station Mechanic, etc. For Lehigh Acres, at the water treatment plant No. 1 (WTP1), the staffing is for a minimum staffing level of 24 hours per day/7 days a week to accommodate increased production; while the staffing level at WTP2 is for a minimum of 1 hour per day/5 days per week. One other difference is for the FGUA contracts, USWC is responsible for the chemical costs while LPW is responsible for the chemical costs under its contract. For further information, please see Attachment B.

- f. If the response to sub-part (c) above is affirmative, please provide a copy of the U.S. Water Agreement For Service contract for that company.

**Response:** Not applicable; however, see Attachments A & B provided with this response.

2. The Company's Response included a summary sheet titled "FGUA Benchmarking Results," showing Customer Service Cost and O&M Cost (\$/account) for FGUA West systems.
  - a. For comparative purposes, how do the Customer Service Cost and O&M Cost (\$/account) for Florida Government Utility Authority (FGUA) West systems compare to the same metrics for private systems U.S. Water serves under contract? Please include in your response an explanation why the average Customer Service Cost and O&M Cost (\$/account) for FGUA West systems are lower than U.S. Water's contract with LPW.

**Response:** See LPW's response to Data Request No. 1 (a) above.

- b. If known, please state which FGUA West systems were identified to determine the \$38.51 average Customer Service Cost per account and the \$225 average O&M Cost per account.

**Response:**

Lindrick -	Water – 3,066 customer
Lindrick-	Wastewater – 2,565 customers
Seven Springs	Water – 12,371 customers
Seven Springs	Wastewater – 12,391 customers
Aloha Gardens	Water – 3,249 customers
Aloha Gardens	Wastewater – 2,845 customers
Consolidated	Water – 2,394 customers
Mad Hatter	Water – 3,703 customers
Mad Hatter	Wastewater – 3701 customers

All of the FGUA West – or Pasco systems are combined and included in one contract with FGUA. These systems are in close proximity to each other with large number of customers.

- c. Is there an FGUA West system that serves approximately the same number of customers as LPW? If so, how does the U.S. Water Agreement For Service contract for that FGUA West system compare to LPW's U.S. Water Agreement For Service contract?

**Response:** No there are none the same size and different levels of services are provided to each one depending on treatment, operation, etc.

- d. Please identify all specific services that are included in LPW's U.S. Water Agreement For Service contract that are included under the FGUA West contract.

**Response:** See response to Data Request 1 (d) above.

- e. Please identify all specific services that are not included in LPW's U.S. Water Agreement For Service contract that are included under the FGUA West contract.

**Response:** See response to Data Request 1 (e) above.

Also, the FGUA provides its own vehicles for the service techs in the West. USWC provides the vehicles for operations for LPW.

The FGUA has customer service payment centers in all of its areas. Also FGUA does not pay for chemical costs for its systems; whereas the owner of LPW pays for the chemical costs.

- f. If the response to sub-part (c) above is affirmative, please provide a copy of the U.S. Water Agreement For Service contract for that company.

**Response:** See response to Data Request 1 (f) above.

3. Questions 3 and 4 are follow-up questions related to information provided in an email from Troy Rendell, dated April 16, 2014. The attachment to the email included a spreadsheet listing planned repairs or improvements (a/k/a pro forma) by year, and this question pertains to the column identified as 2013.

- a. For 2013, a \$1,138 water project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is for replacing the automatic relief valve on the existing hydro-pneumatic tank and installing a new pressure gauge. There are no costs savings associated with this project.

- b. For 2013, a \$559 wastewater project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is for repairing the check valve on the non-potable well used for washdown at the wastewater treatment plant and to replace the pressure tank. There are no cost savings associated with this project. This was to address a safety issue.

- c. For 2013, a \$981 wastewater project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is for replacing the float controls for the surge tank pumps and replace knife valve. There are no cost savings associated with this project.

- d. For 2013, a \$18,477 wastewater project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is for replacing the less efficient pumps at the lift station. The upsizing of pumps increased the velocity and scouring of the collection system. The electrical costs for the wastewater system averages \$500/month or \$6,000/year. The Staff Recommendation filed on March 27, 2014 only recommended a Purchase Power expense of \$4,479. LPW doesn't believe the recommended expense for purchased power will cover the actual power costs for the year. This should also save on wear and tear on pipes and fittings.

4. The attachment to the email included a spreadsheet listing planned repairs or improvements (a/k/a pro forma) by year, and this question pertains to the column identified as 2014.

- a. For 2014, a \$3,800 water project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project will increase efficiency in operations in disinfection. It is a replacement of existing equipment so there should be no change in expenses. Provides for an automatic switchover to insure adequate disinfection.

- b. For 2014, a \$6,000 water project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is for replacing the roof due to a tree limb falling and causing damage. This is required in order to protect the water treatment equipment such as chlorine equipment and controls. There are no cost savings associated with this project.

- c. For 2014, the first of two \$2,873 water projects is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is to provide for web based monitoring at Well No. 1 to protect the safety of the customers and increase efficiency in customer response. This gives the utility the capability of addressing any potential issues that may arise at the treatment plant before it affects the customers. There are no cost savings associated with this project.

- d. For 2014, a \$10,000 project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is for replacing the chlorine feed system in order to provide adequate disinfection and protect the customers welfare and safety. There are no cost savings associated with this project. This also provides safety for the utility's contract operators.

- e. For 2014, the second \$2,873 water project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is to provide for web based monitoring at Well No. 2 to protect the safety of the customers and increase efficiency in customer response. This gives the utility the capability of addressing any potential issues that may arise at the treatment plant before it affects the customers. There are no cost savings associated with this project.

- f. For 2014, a \$8,560 meter replacement project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is replace old water meters in the system. This will improve water use efficiency and enhance water use accountability. There are no cost savings associated with this project. This is a 5 year project to replace all meters.

- g. For 2014, a \$2,500 water project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is to provide a self contained breathing apparatus for safety of the contract operator since gas chlorine is used for disinfection. There are no cost savings associated with this project.

- h. For 2014, a \$7,000 wastewater repair project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is to install a non-potable water well on the utility's property for washdown at the wastewater treatment plant. The current well is located on another party's property. There are no cost savings associated with this project.

- i. For 2014, a \$7,600 wastewater project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is the existing PVC air header with galvanized pipe which is more reliable and less prone to failure. There are no cost savings associated with this project.

- j. For 2014, a \$1,300 wastewater project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is to replace the security fence at the wastewater treatment plant which is required by DEP rule. There are no cost savings associated with this project.

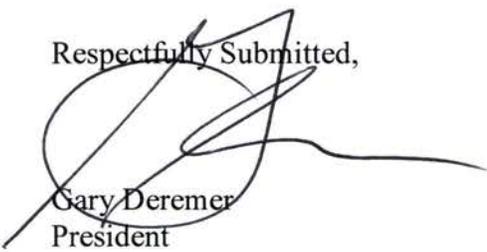
- k. For 2014, a \$10,000 wastewater project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is to replace one of the less efficient blowers at the wastewater treatment plant and upgrade the other blower to produce adequate aeration for the two trains and surge tanks. The electrical costs for the wastewater system averages \$500/month or \$6,000/year. The Staff Recommendation filed on March 27, 2014 only recommended a Purchase Power expense of \$4,479. LPW doesn't believe the recommended expense for purchased power will cover the actual power costs for the year. This should also save on wear and tear on pipes and fittings.

- l. For 2014, a \$7,000 project is shown on this document. Please identify any cost savings that will result from completing this project.

**Response:** This project is to provide a map of the systems. This will be accomplished by utilizing the USWC engineering department. Maps are required by rule. There are no associated cost savings for this project.

Respectfully Submitted,



Gary Deremer  
President

Attachments

Cc: Victoria Penick  
Troy Rendell

**APPENDIX A**

**BASIC OPERATION AND MAINTENANCE  
SERVICE PERFORMANCE STANDARDS**

## APPENDIX A

### BASIC OPERATION AND MAINTENANCE SERVICE PERFORMANCE STANDARDS

#### SECTION A.01. TREATMENT FACILITIES.

(A) Operate and maintain the water and wastewater treatment plant facilities, unit processes, and their respective appurtenances including, but not limited to, the following:

- control of treated water corrosivity within the limits of the existing treatment process;
- general housekeeping;
- grounds maintenance;
- maintain Supervisory Control And Data Acquisition (SCADA) system, if any;
- issue public notices of non-compliance with drinking water standards resulting from acts or omissions of the Contractor;
- issue notices of non-compliance resulting from limitations of the treatment process or equipment failure;
- minimize the generation of noise and odors in accordance with Applicable Law within the limits of existing treatment processes;
- assist the GUA in the coordination of GUA's construction contractors, engineers, or other consultants or vendors for line tie-ins, process standards and connection of Capital Improvements to the Utility Facilities;
- provide timely submittal of all operating reports required by regulatory agencies;

- provide predictive and preventative maintenance of the plant and appurtenant equipment, pumps and motors;
- procure laboratory testing services; and
- provide residual removal services as needed to optimize plant operations.

(B) Take immediate action to either prevent environmental incidents or dangerous situations, and endeavor to keep the number and duration of such incidents and situations to a minimum.

**SECTION A.02. WATER PUMPING STATIONS AND WELLS.**

(A) Operate and maintain the pumping stations and raw water supply well facilities and their respective appurtenances including, but not limited to, the following:

- (1) Monitoring of pump stations and wells for Emergency Conditions.
- (2) Maintenance, operation and repair of the radio telemetry system.
- (3) Regularly scheduled predictive and preventative maintenance, inspections

and adjustments. A list of activities to be performed at the following minimum intervals shall include, but not be limited to, the following:

- clean sump pumps as needed;
- check control panels for proper operation weekly;
- check motor amperage at least once a quarter;
- check and clean filter elements for gas or diesel engines as specified by the manufacturer;
- change and maintain the oil level in pumps as specified by the manufacturer;
- lubricate and clean air blowers weekly or as specified by the manufacturer;

- maintain proper belt tension at all times and check weekly;
- poll the station on a scheduled basis by the telemetry system to the extent of the capability of said system at five (5) minute increments;
- check pump running times weekly;
- maintain the station's lights and replace bulbs as needed;
- check motor starter contacts at least once a quarter;
- clean floats quarterly;
- maintain alarm lights and horns weekly;
- remove debris from pumps and check valves as required;
- lubricate pump and motor bearings as specified by the manufacturer;
- clean out pumps as required;
- exercise all station valves at least once a quarter; and
- clean check valves as required.

(4) The Contractor shall repair pump stations and wells in order to maintain their integrity. Such activities to be performed or provided shall include, but not be limited to, the following Repairs, Replacements and Renewals:

- rebuilding or replacing gate, check butterfly, and ball valves;
- removing and reinstalling pumps and motors for repair;
- repairing motors and pumps;
- furnishing a crane truck, when necessary;
- repairing or replacing rails, supports, or piping;
- replacing flapper valves on pump volutes;

- repairing or replacing electrical panels;
- rewinding motors;
- removing submersible pumps for cleaning, repairs, or gasket replacement;
- repairing and replacing vacuum pumps;
- replacing impellers, wear plates, bearing, and seals;
- cleaning clogged pumps;
- replacing piping on sump pumps;
- replacing circulation lines;
- clean aerators on a quarterly basis and repair screens as needed; and
- repairing and replacing remote telemetry unit components.

(5) The Contractor shall provide routine repairs to all equipment, including painting of all exposed equipment, and all exposed piping, on a five year rotating basis. Should painting be required more often, the Contractor shall paint as necessary to protect the integrity of the equipment and piping. The paint colors will be specified by the GUA.

**SECTION A.03. WATER DISTRIBUTION SYSTEMS.**

(A) The Contractor shall operate, maintain, and repair the water transmission, distribution piping, treated water storage, meters and other appurtenances including, but not limited to, the following:

- timely repair of any water main breaks, water main leaks, service line breaks, and service line leaks up to the point of customer connection;
- excavation, backfilling and compaction of such excavations in the course of performing work in the water distribution system;

- regular flushing of dead end system main lines monthly or more often if required and Contractor must record the gallons flushed on maintenance report;
- fire hydrant flow testing per GUA protocol;
- visual inspection of the hydrant per GUA protocol;
- fire hydrant leak checks per GUA protocol;
- fire hydrant lubrication (outlet threads, cap threads and valve stem) per GUA protocol;
- meter replacements - every ten (10) years;
- meter testing to assure accuracy; and
- exercising valves at least once a quarter.

(B) The Contractor agrees to complete work orders for disconnections, reconnections, meter test, and other general work orders such as line leaks, valve breaks and damage to appurtenances relating to existing water services or the distribution system in a timely manner and in no event later than twenty-four (24) hours after receipt of a work order, unless any delay beyond twenty-four (24) hours is due to unavailability of parts, in which case such work will be completed as soon as the parts are obtained.

(C) The Contractor shall respond to Emergency Conditions on a seven days a week, twenty-four (24) hour a day basis without a work order and initiate such response within two (2) hours of being notified or otherwise learning of such Emergency Condition or of any unforeseen combination of circumstances that reasonably calls for immediate action.

**SECTION A.04. STORAGE TANKS.** The Contractor shall render predictive and preventative maintenance service to the GUA with respect to all GUA storage tanks. Such preventative maintenance services, at a minimum shall consist of regularly scheduled inspections (inspections by the Contractor, not part of a planned, formal inspection program) and adjustment of electrical and mechanical equipment associated with each of the GUA's water storage tanks. When possible, equipment deficiencies detected during inspections shall be corrected prior to leaving job sites.

**SECTION A.05. WASTEWATER PUMPING FACILITIES.**

(A) Operate and maintain the wastewater pumping facilities, and their respective appurtenances including, but not limited to, the following:

- (1) Monitoring of lift or pumping stations for emergency conditions.
- (2) Maintenance, operation and repair of the radio telemetry system, if any.
- (3) Regularly scheduled preventative maintenance, inspections and adjustments.
- (4) Monitor those wastewater pumping facilities which have the technology for

such monitoring for the following parameters:

- pump running times;
- high water level in wet well;
- loss of electrical power; and
- thermal overload.

(5) The Contractor shall provide predictive and preventative maintenance service

with respect to the wastewater pumping facilities including, but not limited to:

- regularly scheduled inspections at least three (3) times weekly;

- adjustment of electrical and mechanical equipment;
- check control panels for proper operation at least three (3) times weekly;
- check motor amperage at least once a quarter;
- change and maintain the oil level in pumps as specified by the Contractor;
- lubricate and clean air blowers weekly or as specified by the Contractor;
- poll the station on a scheduled basis by the telemetry system at five (5) minute increments;
- check pump running times at least three (3) times weekly;
- clean "wet wells" quarterly or more often if needed;
- check remote telemetry units for proper operation daily;
- maintain the station's alarm lights and replace bulbs as necessary;
- check the wet well levels for proper distance of pumping as necessary;
- check motor starter contacts at least once a quarter;
- clean floats quarterly or as needed;
- remove debris from pumps and check valves as necessary;
- clean out pumps as required as necessary;
- exercise all station valves at least once a quarter; and
- clean check valves as necessary.

(6) Supply all materials as needed for the predictive and preventative maintenance program in conformance with the requirements of this Agreement.

(7) Repair and rehabilitate pump stations including, but not limited to, the following:

- repairing or replacing gate, check and plug valves;
- removing and reinstalling pumps and motors for repair;
- repairing motors and pumps;
- furnishing a crane truck, when necessary;
- repairing or replacing rails, supports, or piping;
- replacing flapper valves on pump volutes;
- repairing or replacing electrical panels;
- rewinding motors;
- removing submersible pumps for cleaning, repairs, or gasket replacement;
- repairing and replacing vacuum pumps;
- replacing impellers, wear plates, bearing, and seals;
- cleaning clogged pumps;
- replacing piping on sump pumps;
- replacing circulation lines; and
- repairing and replacing remote telemetry unit components.

(8) Painting of all exposed equipment, and all exposed piping, on a five (5) year rotation basis. Should painting be required more often, the Contractor shall paint as necessary to protect the integrity of the equipment and piping.

**SECTION A.06. WASTEWATER COLLECTION SYSTEMS.**

(A) The Contractor shall be responsible for the proper operation, maintenance and repair of the collection systems including the following:

- ten percent (10%) of the collection system will be cleaned on an annual basis so that the entire collection system will be cleaned every ten (10) years;
- ten percent (10%) of the collection system will be flushed on an annual basis so that the entire collection system will be flushed every ten (10) years;
- timely repair of any sewer line breaks and service line breaks; and
- inspection of main pipelines and manholes.

(B) The Contractor shall respond to any wastewater collection system Emergency Condition seven (7) days a week, twenty four (24) hours a day including, but not limited to, pipeline blockage or potential thereof, or manhole surcharging, as may reported by any source, within the GUA's service area as soon as possible, but in any event, within two (2) hours of being notified or otherwise learning of such or related condition in the wastewater collection system.

(C) The Contractor shall timely, and properly, maintain and repair the wastewater collection and transmission facilities. The Contractor shall take all necessary measures to remedy conditions in the wastewater collection system facilities resulting from a main pipeline blockage and consequential surcharging of such pipelines or manholes and shall be responsible for clean up and abatement resulting from such conditions which occur within the wastewater collection system facilities.

**SECTION A.07. COMPUTERIZED MAINTENANCE RECORDS.** The Contractor shall be responsible for performing routine, preventative, predictive, and corrective maintenance procedures of the Utility Facilities and supply all equipment and materials required therefore, all in a manner that assures the readiness and availability of equipment,

processes, and systems on a consistent basis, and which ensures efficiency, long-term reliability, and conservation of the capital investment in the Utility Facilities. Such procedures shall include predictive and preventive maintenance and corrective maintenance program components for the Utility Facilities and shall be capable of providing the following:

- maintain a record of repair and repair history for each piece of equipment or line section;
- schedule preventive and predictive maintenance;
- maintain records of routine transmission and distribution line repairs;
- maintain records of corrective maintenance;
- issue and monitor work orders;
- maintain a spare parts inventory; and
- issue equipment status and repair priority reports.

**SECTION A.08 FULL TAP AND METERS AND METER SETTING.** The Contractor shall complete Meter Setting and installation of Full Tap and Meters in a timely manner and in no event later than as follows:

(A) For meter installations where service is already in place, five (5) Business Days from the date of the installation or meter setting request.

(B) For Full Taps and Meters and Meter Settings where a permit from an outside agency is not required, fifteen (15) Business Days from the date of the installation or meter setting request.

(C) For Full Taps and Meters and Meter Settings where a permit from an outside agency is required, twenty (20) Business Days after the receipt of the permit.

**SECTION A.09 EMERGENCIES.** Contractor shall respond to Emergency Conditions of any type at the Utility Facilities on a seven (7) days a week, twenty four (24) hours per day basis.

**APPENDIX B**

**BASIC BILLING AND CUSTOMER  
SERVICE PERFORMANCE STANDARDS**

## APPENDIX B

### BASIC BILLING AND CUSTOMER SERVICE PERFORMANCE STANDARDS

#### SECTION B.01. METER READING.

(A) All water meters shall be read on a monthly basis, not less than two (2) business days before or two (2) business days after the customer's normal bill read date.

(B) Malfunctioning meters, visible leaks or damage to the meter or box shall be reported immediately to field service personnel for repairs.

(C) The Contractor shall enter the appropriate codes in the hand held meter reading devices to notify customer service personnel to issue work orders for repairs where needed (e.g., broken or obscured glass, box too high/low, broken lid, cannot find meter).

(D) The Contractor shall reread "suspected" erroneously read meters within one Business Day of discovery. The Contractor shall provide an exception (hi-low audit) report on each Business Day for a previous days' reading. The Contractor shall review reports and select meters to be rechecked before billing.

(E) Meter readers are required to read every meter in the route. Any instances where a meter reader suspects an illegal hook-up should be reported immediately to the Contractor's office. If a meter is present, the Contractor will have a meter reader note the serial number and reading. Illegal hook-ups will be reported to the GUA for action.

(F) Normal hours of meter reading shall be Monday through Saturday, except GUA holidays, between 7 a.m. and 6 p.m. each day (unless mutually agreed upon between the GUA and the Contractor).

(G) Meter reading must be performed with an accuracy rate of at least 99.5 percent. Errors are defined as misreads found by field audits, investigations, and readings the following month which are lower than reported the previous month as an accurate read or customer requested rechecks which, after investigation, a reading error is confirmed. All meter re-reads are the sole cost responsibility of the Contractor.

(H) All meter reading routes are to be accomplished within two (2) Business Days of the day scheduled. Weather conditions, excluding conditions associated with hurricanes and floods, must not prevent the accomplishment of meter reading unless otherwise agreed to by the GUA.

(I) Individual accounts on routes which are "no reads" (skips) will be reviewed daily by the Contractor. If, upon further investigation, it is determined that a reading could have been obtained, the Contractor shall take immediate steps to obtain the reading.

(J) All meter boxes or meter conditions which impose an impediment to readers or citizens must be entered in the hand held devices by the meter readers when observed and promptly reported. Other conditions of special interest that may explain high usage, as well as notification made of suspected leaks found, must also be entered.

#### **SECTION B.02. FIELD SERVICES.**

(A) The Contractor shall provide field personnel to accomplish the following meter service functions:

- turn-on and turn-off of customer meters in response to account changes, delinquent accounts, customer requests, or emergencies;
- verify meter sizes;
- verify meter reading accuracy;

- meet with customer at property to discuss and evaluate disputes and make a report to customer service; and
- review with customers at property, how to read meter, typical usage of water, and conservation measures that customer can implement.

(B) All field service shall be made through work orders. Information from these work orders shall be summarized on monthly order reports.

(C) The Contractor agrees to complete work orders for disconnections, reconnections, meter test, and other general work orders relating to existing water services or distribution system in a timely manner and in no event later than twenty-four (24) hours after receipt of a work order.

### **SECTION B.03. BILLING AND CUSTOMER SERVICE STANDARDS.**

(A) All accounts must be billed monthly within five (5) business days of the meter reading date.

(B) Bills must show a due date of twenty-one (21) calendar days after the billing date. Bills must be delivered to the United States Postal Service the same calendar day as the billing date.

(C) The due dates on each individual customer's bill should be consistent from month to month, within the business days, to allow for customer budgeting of payment. Changes in billing cycles for customers must be approved by an GUA Representative.

(D) All bills must be computed using the then current GUA tariff as provided by the GUA Representative.

(E) Customer inquiries will be handled expeditiously. Response by a customer service representative must in all cases involve no more than a three (3) minute telephone

wait, with an average wait time of no more than thirty (30) seconds during normal business hours.

(F) Customer service representatives must be courteous at all times. However, customer service representatives may politely disconnect customers using abusive or vulgar language after providing one warning to the offending customer.

(G) Customer service representatives and customer service supervisors have authority to adjust customer accounts within guidelines provided by GUA protocol furnished by the Systems Manager.

	ATTACHMENT B	
Services	US WATER PROVIDES	
	FGUA	NON FGUA
Provides Base Staff to Contract	x	x
Treatment Facility Operations	x	x
FDEP Regulatory Reporting	x	x
FPSC Regulatory Reporting		x
Chemicals	x	
Residuals Management & Sludge Hauling	x	
Institutes, Tracks and Maintains Computerized Preventive Maintenance Program	x	x
Troubleshoots Sampling Exceedence	x	x
Multiple Facilities Per Site	x	x
Provides CIP 5 year Planning	x	x
Provides R&R Annual Planning	x	x
Maintains Emergency Stock Inventory	x	x
Weekly Systems Meetings re O&M Review	x	x
Monthly System Meetings with Owner Reps	x	x
Monthly System Meetings with Owner Board	x	
Maintain Formal Job Costing Construction Files of CIP Projects if Performed by USW	x	x
Maintain Formal Job Costing Construction Files of R&R Projects if Performed by USW	x	x
Executes Meter Change Out Program	x	x
Engineering related to Permitting and Compliance Support		x
Basic Repairs under \$400 each event		x
Unforseen Repairs under \$7,500 each event	x	
Emergency Event Management (Hurricanes, Major Line Breaks, etc)	x	x
<b>Customer Service:</b>		
Full Service Staff Provided to Owner Offices	x	
Meter Reading	x	x
Billing and Collections	x	x
Initial Contact Cust Complaints	x	x
Customer Problem Resolution	x	x
Service Line Trouble Shooting	x	x
General Ledger Accounting Services		x