

State of Florida



Public Service Commission

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

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

DATE: April 11, 2016
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Clayton Lewis, US Engineering Specialist, Division of Engineering *C/LC REQ*
RE: Docket No. 150010-WS-.Application for staff-assisted rate case in Brevard County
by Aquarina Utilities, Inc.

Please file the attached "Response to Staff's Fifth Data Request" in the above mentioned Docket File.

Thank you.

Terri Jones

From: Clayton Lewis
Sent: Monday, April 11, 2016 9:03 AM
To: Terri Jones
Cc: Robert Graves
Subject: FW: Staffs Fifth Data Request, Docket No. 150010-WS Aquarina Utiilties, Inc.
Attachments: Staffs Fifth Data Request after Customer Meeting.pdf

Please file this message train and the attached document in the docket file for Docket No. 150010.

Thank you

From: Kevin Burge [<mailto:aquarinautilities@bellsouth.net>]
Sent: Thursday, April 07, 2016 10:41 AM
To: Clayton Lewis
Subject: Staffs Fifth Data Request, Docket No. 150010-WS Aquarina Utiilties, Inc.

Dear Clayton,

Please find attached our response to the staff's fifth data request. Please let us know if you need anything further.

Thank you,
Holly Burge
Account Manager; Aquarina Utilities, Inc.

Aquarina Utilities, Inc.

P.O. Box 1114
Fellsmere, Florida 32948
(772) 708-8350 (mobile billing)
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aquarinautilities@bellsouth.net

6 April 2016

Mr. Clayton Lewis
U.S. Engineering Specialist
Bureau of Reliability and Resource Planning
Division of Engineering
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Reference: Staff's Fifth Data Request dated 1 April 2016
Docket No. 150010-WS Aquarina Utilities SARC

Dear Mr. Lewis,

With regard to the staff's additional questions following the customer's meeting 10 March 2016, Aquarina Utilities, Inc. offers the following responses:

1. **Customer Complaints: The Home Owners' Association, via Dr. Schwinn, stated that Aquarina is not properly recording the customer complaints it receives.**

(Reference 25-30.355 F.A.C - Complaints, See Attachment A.)

25-30.355 Complaints.

- (1) A utility shall make a full and prompt acknowledgement of all customer complaints and shall respond fully and promptly to all requests.*
- (2) For the purpose of this rule the word "complaint" used in this rule shall mean an objection made to the utility by the customer as to the utility's charges, facilities or service, where the disposal of the complaint requires action on the part of the utility.*
- (3) Replies to inquiries by the Commission's staff shall be furnished within fifteen (15) days from the date of the inquiry and shall be in writing, if requested.*

The utility questions how Mr. Schwinn would have knowledge of how customer complaints are identified, prioritized, and recorded within the utility. The utility does not consider any issue that has not been recorded through the formal complaint process of the Florida Public Service Commission a complaint. There is no reference in the above statute that suggests that a log of "complaints" of any kind needs to be maintained, and, given the vocal nature of the Aquarina community, maintaining a log book of all calls and "complaints" as defined above would require a full-time employee specifically designated to that purpose. Other than formal complaints registered at the FPSC, any other issue brought to the utility's attention is considered a regular, daily "concern", which is addressed as soon as possible, usually within a few hours or a few days at most. The daily concerns and issues are recorded and archived in emails and our customer correspondence files. There are no records of telephonic complaints beyond a few notes in customer billing files; we encourage our customers to email their needs to us so that they may receive their proper attention and priority.

In the event of multiple issues or concerns, these are addressed in order of importance, relative to public safety and continuation of water service. Certain issues, relative to customer service, for example the demand for direct debit from bank accounts for payment of customer bills, are addressed in due course of time, relative to the utility's assessment of financial feasibility and the availability through an external source or practicality of such a service with the limited number of utility employees. Unfortunately, not every demand or request made by our roughly 300 customers can be resolved. As we recently reminded customers on Osprey Villas Court,

"While [we] appreciate the fact that many of the homeowners in the Aquarina Community are affluent and privileged families, at some point the populace will need to come to terms with the reality that a utility that services only 300 customers cannot offer the same level of service that large municipal utilities of many hundreds of thousands of customers can offer. We are not afforded the same priority of service by underground crews [or other vendors] that a large municipality might be, since the municipality can offer the attraction of prolonged lucrative contracts that we cannot. We have made every effort to provide the best possible service with the least expense to our customers; however, there are some circumstances that are beyond our ability to control."

A. Does Aquarina record all customer complaints? Aquarina Utilities keeps a record of all non-telephonic customer correspondence, either in email archives or in a customer correspondence folder dedicated to the month and year it was received. All formal complaints lodged through the FPSC are separately handled and filed accordingly. These formal complaints are the ones reported to the FPSC. All other issues and correspondence are not considered "complaints." Small correspondence such as changes of address and comments received with billing remittances are enclosed with the payment materials in our payment records after appropriate updates are made to accounts as requested.

- B. What is the Utility's procedure and practice for recording and resolving customer complaints?** Issues are handled as soon as possible following correspondence. The utility encourages all customers to send their requests and concerns in email format or in written format, as it is not possible for us to record or transcribe calls. It is impractical to maintain a log book of all calls and concerns with the limited employee resources currently on hand at the utility. A log book has been attempted; however, it consumed many hours a day in notes and entries. The utility simply does not have the manpower to keep a log book, particularly as it is not required by law. Should the customers or the FPSC wish to have the utility maintain a log of all calls and issues, an additional employee must be authorized by the FPSC for just that function.
- C. Please provide a list of all service complaints received during the year 2015 and include an explanation of how each complaint was resolved.** While the utility had several daily issues in 2015, including a leak in Blue Heron as a result of tree root activity, a failure of the pump system on the non-potable system, a few issues of unusually high usage, and several others, these issues do not constitute complaints as no formal appeal was made to the FPSC. Each issue was addressed in a timely, professional manner and the details of many of these situations have already been provided to the FPSC in other correspondence.
- D. What is the Utility's procedure and practice for recording and addressing customer service inquiries?** All inquiries are addressed as soon as possible. There are written records for any emailed or mailed correspondence; however, we do not transcribe telephonic inquires unless they are subsequently submitted as email. We take notes, make appointments to meet the parties involved, and arrange for resolution as quickly as possible. As we have no control over the satisfaction of our customers in cases in which they are unable to understand or accept the resolution offered, not every customer is completely satisfied with our resolution of an issue, e.g. Mrs. Joyce Malakoff of 864 Aquarina Blvd., a case thoroughly reported to the FPSC.
- 2. Service Outages:**
In the past five years of operation, Aquarina Utilities has only had one large-scale planned outage. This outage was related to the inspection, cleaning and service of the potable water storage tank in 2013. Customers were notified a week in advance, in writing, of the outage, its planned duration, and its purpose. On the day of the cleaning, as often happens, return of service was delayed a few hours by a problem that developed during the cleaning. The problem was resolved and service was returned by about 10pm the same day. Any outages related to repairs such as the Blue Heron repair, could not be announced in advance as factors such as repair crew availability and the weather often change the dates and times of such outages at the last minute. It is impractical to notify customers in these situations in writing. The utility makes every effort to knock on doors and let people know what is happening. With regard to unplanned outages in the non-potable system, there is absolutely no way to predict when and for how long these will take place. Public notification is accomplished as best as possible with the limited contact resources with which we are provided. Repairs are made as expediently as possible.

- A. How many potable water service outage notifications were issued to the Utility's customers during 2014 and 2015? Please provide the dates and duration of the outages and whether they were planned or unplanned. There were no potable water service outage notifications issued to the utility's customers in 2014 or 2015, except those required for individual homes as need for meter change-outs, other than the 4-unit break in Blue Heron in February 2015. Meter change-outs were accomplished in minutes. The repair for Blue Heron took one full business day, about 9 hours. Service was only out for about 4 hours of that day. All outages were only roughly planned pending availability of crews to perform the work, so customers could not be notified in advance of the work.
- B. How many boil water notices were issued to the Utility's customers during 2014 and 2015? Please provide dates and durations of the boil water conditions. No boil water notices were issued in 2014 and 2015. None were necessary or required.
- C. How many notifications were provided to the fire department when there were planned or unplanned outages to the non-potable water service during 2014 and 2015? Please provide dates and durations of the outages along with how the community and fire department were notified.

Unplanned non-potable water outages are so frequent, the utility does not keep records of them. As indicated by our request in pro-forma for massive electrical work to the plant (which we had to concede because the FPSC would not accept the verbal quote we were given- the only quote we could secure from a qualified electrician), we have blown breakers every time a thunderstorm rolls over. The outages are so frequent that we have authorized the golf course maintenance personnel and Mr. Buddy Sullivan to access the non-potable system to reset the offending breakers whenever utility staff is unavailable. The fire department is not notified of these outages, because the duration of the outage is rarely more than a few minutes to an hour and because the outages usually only affect the golf course irrigation system, not the fire protection system. In response to the frequency of these outages, Kevin and Holly Burge sold their home in Jensen Beach, Florida (1½ hours drive from Aquarina) to move to a closer location in Fellsmere (40 minutes drive from Aquarina) just to be able to respond to emergency outages in a more timely manner.

For the major outages related to the well system repairs, such as in April/ May of 2015 and February 2016, we tried two different approaches to notification. The 2015 outage was so sudden that we could only notify the golf course and expect them to notify all other pertinent people. As there was sufficient water in the non-potable storage tank to assure fire flow and some irrigation for the landscaping of the communities, just not for the golf course, there was no need to inform the fire department or the other associations because fire flow was not off, just the golf course irrigation pump. We did, however, let the fire department know that there was a problem, just in case. We verbally asked Buddy Sullivan not to irrigate the communities unless absolutely necessary as the well flow rate was so low it could not keep up with the demand of major irrigation. From the beginning of the outage to the time the well company could get on site was three days. The actual well repair took less than 4 hours.

For the repair in 2016, the same pump that was replaced in 2015 suddenly failed and, while there was always sufficient water maintained for fire flow, irrigation of all the communities was not possible. The entire non-potable system was shut down for the repair in 2016, but could be turned back on to allow fire flow if necessary. All communities for which we had contact information were notified, including the condominium buildings to prevent damage to their fire pumps. In some cases the only contact information we had was for the accountant or management company that paid the water bills, since none of the communities have ever provided us with updated board member lists or contact information or even the codes to their gated communities, with the exception of Mr. Chris Madsen of ACSA, who up until this outage and a cavitation issue in the potable system that happened close to the same time, refused to answer any of our calls or emails. (This animosity continues to date, as Holly Burge stood in his office for ten minutes on 6 April 2016, waiting to tell him about a non-potable issue in Maritime Hammocks, during which time he continued a telephone conversation without acknowledging either Holly or Ron Chupka who was also present. Frustrated with his lack of manners, Holly and Ron left without informing him of the situation.) The fire marshal and the fire department were notified when the system went down. The fire marshal, a recently appointed man by the name of Doug Carter, asked that he been notified in case of any major outage and he has subsequently been put on our notifications list. The fire marshal asked us to contact all the sub-communities and have them contact him in return. We did the best we could with the information we had. Both the fire marshal and the fire department were notified when the system returned to service with a new well pump, less than 24 hours later.

The only other incident regarding the non-potable system relates to the construction taking place in Mantilla Reef, next to the Ocean Dunes Condominiums. In this case, the contractor isolated a section of the non-potable system and shut it down for several days while they connected to the non-potable system. This involved a certain valve in the vicinity of Ocean Dunes which inadvertently shut off flow to a fire hydrant in that area. At about the same time, Ocean Dunes had the fire marshal conduct an inspection of their fire system, and this hydrant, which is not part of their system and, being private property, should not have been touched by either the fire marshal or the personnel of Ocean Dunes, was identified as having no flow. Ocean Dunes had access to other hydrants within the area, so they were not without protection while this one hydrant was out of commission for the contractor's work. Ocean Dunes was informed by the fire marshal that the hydrant needed repair and, at the fire marshal's mistaken insistence (we had informed the fire marshal of the laws regarding the utility's ownership of the hydrants, but he insisted anyway), had the hydrant "repaired". Ocean Dunes later found the valve that the contractor had turned off, which restored water to the hydrant. When the fire marshal and the staff of Ocean Dunes contacted us regarding the situation, in particular asking for us to reimburse their unnecessary repair of the hydrant, both were told that they had no authority to touch or manipulate our hydrants. Despite the dissemination of this information, many of the sub-communities of Aquarina have taken it upon themselves to paint our hydrants without permission to do so. In the case of the Ocean Dunes incident, it was the contractor's responsibility to notify the fire department of the outage and its duration and to ensure that any valves

manipulated were in the correct service positions following their work. Communication with the contractor, Commercial Building Corporation, was been challenging at best, so we allowed them to make their contacts on their own, ever-changing timetable.

- D. Please identify any instances in which the Utility failed to notify the fire department of a planned or unplanned outage during 2014 and 2015. The utility has never failed to either maintain fire flow or notify the fire department that fire flow was not available.
- E. Please identify any instances in which the Utility failed to notify its customers of a planned or unplanned outage during 2014 and 2015. There are no instances in which a customer was not informed of an outage, or, at a minimum, a representative of the customers in maintenance or golf course personnel was always notified. Many times, we learned of the outages through the customers, as the non-potable breakers would trip in an afternoon storm. Any customers who were not notified failed to provide contact information for emergencies for general notifications or the outages were so brief that no notification of a global nature was deemed necessary.

For the following questions, please refer to Aquarina's response to Audit Finding No. 8:

Operation and Maintenance Expense/ Account 642/742, Rental Equipment.

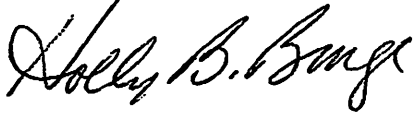
- 3. Approximately how many times per year were each of the following items used?
 - A. Pole Saw- weekly to trim trees and brush around the plant that had fallen onto the fence or brushed against the buildings. Wind is an ever-present force on the island and tree debris is a constant issue.
 - B. Gravelly Mower- at least every other week to mow the plant until, in December of 2015, a John Deere mower, weed-eater, and leaf blower were purchased by the utility for use at the plant.
 - C. Pressure Washer- at least monthly for various cleaning projects and painting projects around the plant.
 - D. Dump trailer- daily- it has always been in use for the removal of vegetation and trash since Brevard County will not take the utility's cuttings and ACSA has not allowed us to consolidate our debris with their regular removal process.
- 4. Has Aquarina ever compared the price of renting the items in question No. 3 on an "as-needed" basis instead of the rental agreement that is in place?

Yes, but renting on an "as-needed" basis was impractical for these items. Staff suggested that these items be purchased as utility assets; however, sufficient funds for their purchase have been unavailable. The rents have been accumulated in an unpaid "Accounts Payable" account in the books, as no funds have been available to pay either the rent or to purchase these items which are used so regularly. The process of renting, picking up and dropping off equipment and the financial accountability of renting from an outside source would be an extremely impractical use of time and funds.

A. Has Aquarina ever requested a quote from a landscaping company for how much it would cost to have them handle the lawn and tree maintenance for the Utility? If yes, please provide the quote(s). No, the utility has never obtained a quote for the lawn maintenance. We did obtain a verbal quote for the removal of the brush and debris surrounding the plant- \$8,000 some four years ago. A quote for lawn maintenance seemed irrelevant as no funds were available to pay such a crew. We have been forced to perform all of that maintenance ourselves. The utility felt that any funds that might be obtained for lawn maintenance might be better spent on an additional employee for plant maintenance.

Please let us know if you have any further questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Holly B. Burge".

Holly Burge
Account Manager; Aquarina Utilities, Inc.