

LP Waterworks, Inc.

December 1, 2016

Office of Commission Clerk
Florida Public Service Commission
3625 NW 82nd Avenue, Suite 400
Miami, Florida 33166-7602

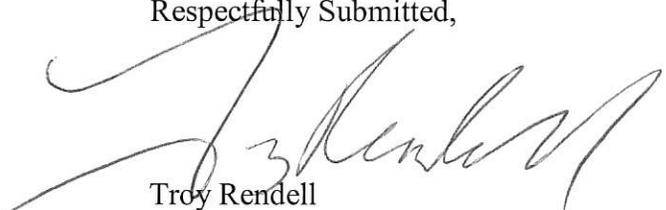
*Re: Re: Docket No. 160222-WS - Application for Staff Assisted Rate Case (SARC)
in Highlands County by LP Waterworks, Inc. – WMD Water Audit*

Dear Commission Clerk,

LP Waterworks, Inc. (LPWW) hereby submits a copy of its 2015 Water Audit sent to the Southwest Florida Water Management District.

Please include this letter and attachment in the above reference docket.

Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
// For LP Waterworks, Inc.

WATER AUDIT

ENGINEERING SERVICES

Prepared for:

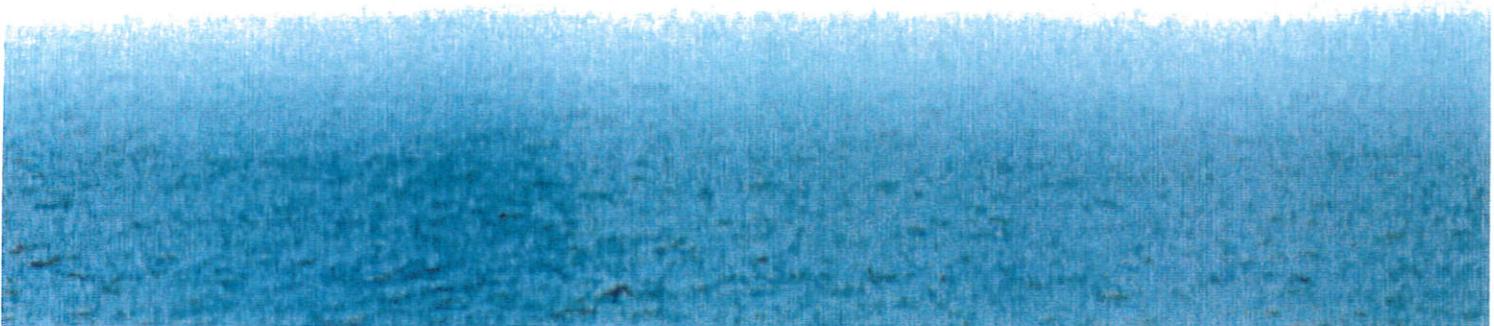
LP WATERWORKS WATER SYSTEM
WUP 9490
Highland County, Florida

Prepared by:



Water and Wastewater Utility Operations, Maintenance, Engineering, Management
4939 Cross Bayou Boulevard
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November 2016



LP WATERWORKS WATER SYSTEM -- WUP 9490

INTRODUCTION

The LP Waterworks Water System is located south of the City of Lake Placid in Highlands County and serves an estimated population of 704 people in a service area of 211 acres. The water system is supplied by ground water pumped from two wells with an approved withdrawal rate of 150,100 gallons per day annual average and 182,800 gallons per day peak month.

Based on the water pumpage and usage data for calendar years 2015 and 2016 (see summary Tables 1 and 2 below), the percentage of unaccounted for water exceeded 10% of the amounts produced. With that said, it is clear that the unaccounted for water losses are mainly attributable to unknown water leaks in the water distribution system.

To identify leaks in the water distribution system, U.S. Water in conjunction with the SWFWMD conducted a leak detection test of the water distribution system in July-August 2015, and cleared every service connection in September 2015. As a result, two water leaks were identified and all necessary repairs were made.

Following that event, U.S. Water also conducted separate leak detection tests using GPR and sound detection methods in January 2016 and August 2015. As a result, several water leaks were identified and all necessary repairs were made. See the attached system map depicting the locations of all these repairs.

In addition, U.S. Water will continue to perform leak detection throughout the water system and will make all the necessary repairs upon discovery. However, due to the poor condition of the water distribution piping, it would be difficult to identify all the leaks. As such, as a long-term solution, we recommend replacement of the water distribution piping. The funding of the project would require prior approval by the Public Service Commission (PSC).

**Table 1 – LP Waterworks, Inc.
Water Pumping & Usage Summary - 2015**

ITEM	TOTAL AMOUNT (GALLONS)	UNACCOUNTED FOR PERCENTAGE
Total Well Withdrawal	18,295,717	
Total Metered/Billed Amount	8,881,000	
Total Amount Used for Flushing & Maintenance and Other Accounted for Uses	6,587,499	
Treatment Loss	182,957	
Percentage Unaccounted for Water		14.6%

**Table 2 – LP Waterworks, Inc.
Water Pumping
Usage Summary (Jan 2016 – Oct 2016)**

ITEM	TOTAL AMOUNT (GALLONS)	UNACCOUNTED FOR PERCENTAGE
Total Well Withdrawal	13,034,274	
Total Metered/Billed Amount	8,182,000	
Total Amount Used for Flushing & Maintenance and Other Accounted for uses	471,080	
Treatment Loss	130,343	
Percentage Unaccounted for Water		32.9%



CONTRIBUTING FACTORS TO WATER LOSS

As mentioned above, the unaccounted for water losses are mainly attributable to the water leaks in the water distribution system. This is caused by the aging and the poor condition of the water distribution system piping.

EFFORTS TO MINIMIZE WATER LOSS

In order to resolve this matter, the facility's management staff has been looking into several options to address the water loss issues.

Interim Corrective Actions

In the interim, the Utility will continue to identify any leaks in the water distribution system piping and will make the necessary repairs accordingly.

Long-Term Corrective Actions

A permanent corrective measure to eliminate the water leaks in the distribution system would require replacement of the aging and poor piping of the water distribution system. However, to perform this task, the Utility will need major funding that typically requires prior approval from the Florida Public Service Commission (PSC) as well as the customers served by the water system.

REMEDIAL ACTION PLAN

Based on the site investigations and evaluation of the water system, the following table presents the Standard Operating Procedure and Best Management Practices that LP Waterworks, Inc., intend to implement along with the corresponding time frames for implementation:

Task	Description	Start Date	Completion Date
1	Continue monitoring and documentation of actual water usage and flushing water volumes.	Ongoing	Ongoing
2.	Investigate and identify any possible water leaks in the water distribution system and make the necessary repairs accordingly.	Ongoing	Ongoing
*3.	Replace the water distribution piping with new piping.	October 1, 2016	Ongoing
4.	Calibrate and test well meters for +/- of 5% (repair/replace as needed).	October 1, 2016	February 28, 2017

*NOTE: implementation of this task is contingent upon the PSC's prior approval.