

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: June 19, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Clayton Lewis, Engineering Specialist, Division of Engineering *CKL PA*
RE: Docket No. 150010-WS- Application for staff-assisted rate case in Brevard County
by Aquarina Utilities, Inc.

Please file the attached in the "Documents" tab of the above mentioned docket file.

Thank you.

Terri Jones

From: Clayton Lewis
Sent: Friday, June 19, 2015 11:24 AM
To: Terri Jones
Subject: FW: Aquarina - status on getting bids

Follow Up Flag: Follow up
Flag Status: Flagged

Please submit this to the docket file for Docket #150010.

Thank you

From: Laura King
Sent: Friday, June 19, 2015 10:41 AM
To: Clayton Lewis
Subject: FW: Aquarina - status on getting bids

Please file the e-mail in the docket file.

Thanks

From: Paul Vickery
Sent: Friday, June 19, 2015 10:39 AM
To: Laura King
Subject: RE: Aquarina - status on getting bids

It seems like a good idea, since the utility is struggling with companies to even consider them as a reputable utility.

From: Laura King
Sent: Friday, June 19, 2015 9:00 AM
To: Paul Vickery
Subject: FW: Aquarina - status on getting bids

Should we put this in the docket file?

From: Clayton Lewis
Sent: Friday, June 19, 2015 8:31 AM
To: Stan Rieger; Laura King; Paul Vickery
Subject: FW: Aquarina - status on getting bids

FYI

From: Kevin Burge [<mailto:aqarinautilities@bellsouth.net>]
Sent: Friday, June 19, 2015 8:05 AM
To: Clayton Lewis
Subject: Re: Aquarina - status on getting bids

Dear Mr. Lewis,

Yes, we are experiencing unreasonable difficulty obtaining quotes from vendors for our various pro-forma items. Several times we have arranged to meet vendors at the facility, and they have elected not to come without notice or explanation. One issue we struggle against is the continued affiliation of our water and sewer plant with the previous owners, Service Management Systems and the previous Receiver, Dennis Basille. Many vendors refuse to deal with us because they believe we will carry on the same record of poor payment these other entities displayed. We have managed to overcome this issue with a few, but the battle is a long one. Additionally, we find that for a small utility, we cannot offer the long-term repeated job offers that a larger municipal system can offer. Subsequently, reputable companies will put the effort in to obtain municipal contracts with comprehensive quotes seeking a long-term relationship with the municipalities, but they do not wish to deal with a small utility like ours because the quote requires the same preparation and effort that the municipal quote does, with little or no return on their effort. They really don't want to make the effort or take the time to give us a bid on paper unless we can guarantee them the work. They will give us a "ball-park" verbal quotation without any firm numbers or they will not deal with us at all.

In some cases, there is only one vendor available to us who will agree to quote us or talk to us. The FPSC requirement of multiple quotes is often not feasible. For example, we obtained a quote from Schreiber to refit the sewer plant, blowers and sand filters to an updated design because we are constantly struggling with the rotational system of the current arrangement and the return activated sludge, aeration, and mixing portions of the system. I will send you this quote next week- it is two years old now and no longer valid, but it will give you some idea of the money we really need to bring this system back to full functionality from the neglected condition into which it was driven prior to our purchase. Also, since the plant is of Schreiber design, we can really only get the regional office of Schreiber to work with us on the sewer plant- no one else will touch it unless we are abandoning the current plant and building a new one, which is likely not an option.

During the next few weeks I will put redoubled effort into obtaining the required quotes for the pro-forma. I will do as you suggested and keep a detailed log of contacts and, in three weeks time, I will submit all documentation as we are able to present it.

We very much appreciate your support and lenience in this issue, particulaly regarding the time frame of submission.

Sincerely,

Holly Burge
Account Manager; Aquarina Utilities, Inc.

On Thursday, June 18, 2015 5:00 PM, Clayton Lewis <CLewis@PSC.STATE.FL.US> wrote:

Ms. Burge,

I want to make sure that I relay accurate information to my fellow staff members from our phone call earlier today. It is my understanding that you are having trouble getting responses to the requests for bids from the various vendors you have contacted. At this point, you believe it will take about three weeks to receive the necessary quotes and we should expect to see a complete response to the data requests shortly afterward. Is this correct?

In the meanwhile, please contact us if you have any questions or concerning the information requested. We will do our best to clarify our requests.

Looking forward to hearing from you.

Clayton K. Lewis
Division of Engineering
850 413-6578