

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: October 31, 2016,
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Clayton Lewis, U.S. Engineering Specialist, Division of Engineering *LES CKL*
RE: Docket No.150010-WSApplication for staff-assisted rate case in Brevard County
by Aquarina Utilities, Inc.

The attached documents, "Utility's response to the issue regarding Mr. Royer," were originally filed on April 11, 2016 and given Document No. 01937-16. It was recently discovered that page 2 was missing from the original filing; as such, we ask that the complete response be filed in the above mentioned docket.

Thank you.

Terri Jones

From: Clayton Lewis
Sent: Monday, April 11, 2016 9:27 AM
To: Terri Jones
Cc: Robert Graves
Subject: FW: Docket No. 150010 (Aquarina) Mr. James Royer comments and concerns from customer meeting
Attachments: Response to Customer Meeting Issues- James Royer.pdf

Please file this message and the attached document in Docket No. 150010. Please use this title "Utility's response to the issue regarding Mr. Royer."

Thank you

From: Kevin Burge [mailto:aquarinautilities@bellsouth.net]
Sent: Wednesday, April 06, 2016 4:13 PM
To: Clayton Lewis
Subject: Re: Docket No. 150010 (Aquarina) Mr. James Royer comments and concerns from customer meeting

Dear Clayton,

Please find attached our response to the issue regarding Mr. Royer. It is beginning to concern me that so much of what these customers are putting in the public record regarding the utility is inflammatory and untruthful. What recourse does the utility have to defend itself against the harassment of its customers? Please give us a call if you have any thoughts regarding the case.

Thank you,

Holly Burge
Account Manager; Aquarina Utilities, Inc.

On Friday, March 25, 2016 8:40 AM, Clayton Lewis <CLewis@PSC.STATE.FL.US> wrote:

Holly,

I am reviewing the transcript of the customer meeting. Mr. James Royer provided documents concerning a problem with a repair that occurred in February 2015. Please see [*01525-16.pdf](#) a problem and the customer meeting transcript [*01512-16.pdf](#).

Mr. Royer's comments:

"I had no problems with Aquarina Utilities until January 2001 when myself and other residents noted water bubbling from the ground, running down the street into the storm sewer. We reported this to Aquarina Utilities and basically it was a long discussion that lasted over a month as to whose responsibility it was to correct this problem. Finally, Aquarina Utilities, Incorporated, acquiesced and agreed to do the repair. Unfortunately, the repair was conducted in what we believe was a very

unprofessional and incompetent fashion. Mr. Burge, who understands is a water scientist himself was involved in the repair. They dug a hole in February, late February, on 26 February, I believe, 2015, and identified the broken pipe. Unfortunately, the proximal valves that was in the excavation site this actually blew off of the pipe immediately filling the hole with water, debris, sand and muck. At this point in time, I think they realized they were in over their head and they called for help. They were able to locate our residence maintenance man at that time, Mr. James Sullivan, who responded within the hour and located the necessary proximal valves inducting water flow under control, and at least conducting partial repair of the water pipe. And I should also note that the pipe was never fully repaired. The cutoff valve to the Blue Heron Townhomes in that area Blue Heron was never replaced, but, rather, the repair was conducted underwater, under unsanitary conditions. And the end result, without belaboring the details, was all of that muck and debris was pumped into several homes in Blue Heron resulting in major problems that we still are afflicted with today.

*Aside from washing machine, hot water heaters, facets, mess have been in showers and toilets, which I must admit took at least three different plumbers to finally competently fix the problems, as far as replacing valves at homeowner expense that were plugged with Sam's -- with sand. And I would submit to you today photographs, that's for the Commission's benefit, photographs and the letter describing the outcome. But more importantly, aside from the heartache and aggravation of dealing with this problem, what I saw was a major integrity issue as far as denial that Aquarina Utilities actually caused the problem and there was no mention of ever -- of course, after the fact when homeowners, who saw there was no water pressure in their showers and they couldn't flush their toilets, that Aquarina Utilities finally get involved, but they never did step up to the plate. And after encouraging -- after our initially plumbers failed to address the problem, they never offered to help. And, fortunately, after a third plumber, we were able to get most of these problems resolved to this day, but it -- it wasn't easy. Thank you for listening.
MR. HILL: Thank you. Thank you, Mr. Royer."*

Please provide a description of the repair effort for this event along with a detailed report of Aquarina's correspondence/contact with Mr. Royer or other residents that were affected by the event.

Thank you,

Clayton K. Lewis
Florida Public Service Commission
Division of Engineering
850 413-6578

Aquarina Utilities, Inc.

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(772) 708-8350 (mobile billing)
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aquarinautilities@bellsouth.net

29 March 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: **Response to Inquiries Regarding Transcript From Customer Meeting**

Dear Mr. Lewis,

With regard to a repair made in Blue Heron on 24 February 2015, you requested:

Please provide a description of the repair effort for this event along with a detailed report of Aquarina's correspondence/contact with Mr. Royer or other residents that were affected by the event.

Please review the following response:

First of all, we would like to establish that Mr. James Royer, the owner of 382 Aquarina Blvd., is not our customer. His tenant, Mr. John Debry, is our customer, but he was not present at the Customer Meeting held 10 March 2016. We would also like to point out that the many sub-communities of Aquarina, including Blue Heron, have been warned verbally and in writing that the extensive landscaping of their communities is a hazard to the water and sewer infrastructure of the development. In this case, a tree belonging to Blue Heron, crushed and broke a water line servicing a group of the townhomes in Blue Heron. It is the utility's position that Blue Heron Townhomes is liable for the damage to the water line, its repair, and any subsequent issues such as debris in the water lines of the units or damage to their plumbing. The consistent attitude of negligence with regard to the safety of the infrastructure of the utility and its employees by the

residents of Aquarina and the other communities attached to the system, particularly in regard to landscaping and damage to utility property by landscape crews, is an on-going issue of great concern and expense.

A potable water leak was identified in the Blue Heron Townhomes community of the Aquarina development in January 2015. Observing that the leak was not interfering with service to the four townhomes attached to the damaged line, the utility assigned a moderate priority to the repair in light of other major issues we were having with the non-potable system and well pump at about the same time. Since the leak was under a large live oak tree, we logically calculated that the leak could be attributed to root damage to the line, and planned accordingly to bring in a crew to deal with the leak. Buddy Sullivan, the ACSA maintenance man at the time, investigated the leak for us, as he is very active in Aquarina with monitoring the irrigation system of the various sub-communities. Buddy has been very helpful in identifying certain leaks; we very much appreciate his help. Buddy and our operator, Ron Chupka, partially excavated the leak and indicated that the repair was beyond their ability to deal with, as the valve servicing the affected units could not be turned off (we later discovered that they were not turning the valve sufficiently to turn it off). Buddy and Ron communicated to the residents that the repair would be completed soon, but that we were not sure when the underground crew would be able to come. There were no "contested discussions", only inquiries as to when the leak would be repaired.

The utility scheduled an underground crew with more than 40 years' experience in the underground business, Wayne Ashton Maintenance, to complete the repair. On 24 February 2015, at about 9am, the crew began to excavate the leak. Kevin Burge was on site to supervise and assist in the repair. Kevin knocked on each of the four affected units' doors (382, 384, 386, and 388 Aquarina Blvd.) to let them know that the leak was being repaired and that they would be without water for a brief time at some point during the day. The occupants of 382 and 388 Aquarina Blvd. were not home during the entire process. The team wrestled with root removal, using various tools, including a reciprocating saw, to battle through the dense root growth to reach the broken water line. Use of a backhoe in this situation was not possible given the proximity of the tree, driveway, and other water lines, so the entire repair had to be hand dug and carefully managed.

When the pipe was finally revealed and a pump was put in place to draw out water to allow work on the pipe (the leak was below the groundwater line), the crew discovered that the pipe had been previously repaired next to the valve that served to isolate the four units mentioned above. The repair, made by someone prior to the ownership of Aquarina Utilities, was incorrectly completed, as was the installation of the actual valve. When the damaged portion of pipe and the old, incorrect repair were removed, the improperly installed valve popped off the service line, as there was no stop to secure it to the line. The water had to be turned off at another valve to make the repair.

As the repair process continued, the proximal valve was deemed redundant and was not replaced. The water was pumped out of the hole, and the line was repaired. A repair under water, as Mr. Royer suggests, is impossible and could not have been accomplished. The glue used with PVC will not cure underwater. During the course of the day, two of the four residents affected came out briefly to make inquiries. They stayed a few minutes, and then returned to their homes. One of these, Mrs. Dewys of 386 Aquarina Blvd., just wanted to know when and how long her water would be off, and the other, Mr. Ruppert of 382 Aquarina Blvd., came out to insist that the utility

not cut down the oak tree that had caused the damage. None of the residents stayed to observe the excavation. No one was at the repair for the duration of the work day except the crew and Kevin Burge. Mr. Royer was never at the excavation, so any testimony of the events of that day had to come to him through some other party.

The two residents who were home were notified immediately before their water service was temporarily interrupted by the line repair. Kevin Burge and the crew went to each unit, before the line was cut and repaired, to let each household know that the water would be off for a short time. After the repair, they again knocked on each door to let the customers know that the repair was complete and turned on an outside faucet- the faucet closest to the repair- to flush the lines going into the units of any debris that slipped into the line during the repair. The residents were advised that they needed to flush the lines for at least fifteen minutes before turning off the water. The occupants of 382 and 388 Aquarina Blvd. were not present at this time, so their lines were flushed for 15 minutes by the crew. The utility was prepared to credit each of the customers for the water used for flushing. The resident of 384 Aquarina Blvd., Mr. Ruppert, turned his water off immediately, refusing to flush his line at all. As he refused to properly flush his lines, Mr. Ruppert opened himself up for fine sand inside his household water lines. In accordance with the guidelines set forth by the Florida Department of Environmental Protection, as there was no loss of water pressure at the water plant itself and that each affected customer was personally notified that 15 minutes of line flushing should be performed, no boil water notice was required or necessary.

Following the repair, three out of the four homes reported issues with debris in the water lines (Units 382, 384, and 386 Aquarina Blvd.). Kevin went to see Mrs. Dewys of 386 Aquarina Blvd. and suggested she clear the screens in her taps and washer. Apparently she did so, as we heard nothing further from her. Kevin went to see Mr. Ruppert of 384 Aquaring Blvd. with a similar message. Finally, Mr. Debry of 382 Aquarina Blvd. called and indicated that he had issues with his lines as well. We never heard from the resident in 388 Aquarina Blvd. The utility believes that many of the issues described by the "affected" residents are inflated since copious amounts of debris flowing through the 5/8" x 3/4" meters would have fouled the screens in the meters and rendered them inoperable. No meters have failed; therefore, only a small amount of fine sand could have passed through the meters.

Mr. Ruppert was dissatisfied with our advice that he rinse the screens in his washer and sinks. He called Kevin Burge, and Kevin went to his unit and examined the sinks, showers, and fixtures for evidence of sand and debris. A little was noted, and Kevin removed the screens from the sink fixtures and rinsed them and the sink faucets seemed to work well. Kevin advised further flushing of the lines from an outside faucet and left the residence. Still dissatisfied with the water pressure in his home, Mr. Ruppert later called a plumber and passed his plumbing bill on to the utility. The utility passed this bill, along with a bill for the repair to the water line, on to the homeowner's association for Blue Heron. They have never acknowledged receiving the bills and have not communicated with us at all regarding the break and its repair.

Mr. Debry, our customer in 382 Aquarina Blvd., called with concerns about the water pressure in the fixtures in his bathroom. Holly Burge went to his home following the first call, as Kevin Burge was unavailable, and observed a little sand in the toilet tanks and bowls, and some diminished water pressure in the sink taps. Kevin Burge also came out to the home after the first call, a few

days after Holly because of schedule conflicts with Mr. Debry, and observed similar phenomena. The tenant indicated that even prior to the leak, he had complained to Mr. Royer about the pressure in the sinks and showers and had repeated issues with the fixtures in the home. We were informed that Mr. Royer answered his tenant's complaints by installing new plastic taps, much like those that can be found in a motor home or trailer, which could not be cleaned or have their screens removed without damaging the faucets. Kevin made every attempt to resolve as much of the issue as possible, flushing for 5,000 gallons at an outside tap and removing those screens that could be removed from the taps. When Kevin left the home, all of the fixtures were working well with the exception of two of the plastic bathroom faucets. Mr. Royer and Mr. Debry called several more times attempting to resolve the pressure issue, and Kevin went to the home twice more. Mr. Royer called Kevin Burge several times after these visits, even resorting to threats of legal action. Of the three plumbers called to the home, the first two refused to touch the plastic taps for fear of breaking them and being made responsible for the damage. One of these "plumbers" was Mr. Buddy Sullivan, who is not a licensed plumber despite his handy-man position. Mr. Sullivan actually damaged one of the plastic taps in an attempt to clear it, before giving up on the venture as futile. The final plumber, as far as the utility has been informed, replaced the old plastic taps and the 35 year old shower fixture that could easily have been plugged by so many years of calcium and mineral deposition.

Finally, the utility would like to address a few items in the materials submitted by Mr. Royer and others at the customer meeting on 10 March 2016.

- 1) If James Sullivan performed the repair, without the utility's permission, as Mr. Royer asserts, does that not make Aquarina Community Services the liable party for any damages?
- 2) With regard to the cloudy water notice shown for Ocean Dunes, the utility did not post this notice. As no boil water notice was required and the residents were not in any danger from the suspended air in the water system, caused by a cavitating high service pump, the utility made no attempt to circulate a mass-notification for the air bubble issue. Such mass notifications are expensive, require many man hours in payroll, and are to be avoided unless absolutely necessary. The utility responded to all telephone calls questioning the issues and finally disseminated an email through Aquarina Community Services regarding the issue. While a few of our customers provide us with email addresses and phone numbers to contact them for billing purposes, the various sub-communities have never made any effort to provide us with any emergency contact information. ACSA, likewise, has previously refused to provide us with contact information for their residents and continues to treat the utility in an almost hostile manner. Should residents wish to be notified of relatively minor events such as the minor malfunction of a high service pump, additional personnel will be needed to handle the correspondence load. Intense cooperation between the residents, their various homeowner associations and the utility will also be necessary, and, to date, none of the associations has expressed much interest in working with the utility to improve communications or the community.
- 3) The water bills attached are irrelevant. South Shores Utilities actually called Aquarina Utilities to see if they could hook up to us and close their regional-sized water plant because they don't make enough money in their community to support the larger plant.

They were disappointed when they found out how far away we were and how much they would have to spend to hook up to us. South Brevard Water Coop only provides water service and we get calls very frequently telling us how frustrated the residents are with that system and its failing infrastructure. Neither of these facilities, nor the mentioned Florida Beach, have a reverse osmosis system servicing only about 450 accounts.

- 4) With regard to the photos of the water filters at 420 Hammock Shore Drive, it is virtually impossible that water that has passed through two fiber pre-filters, a reverse osmosis system and then mixed with a small amount of ground water, chlorinated and distributed after a prescribed residency period could produce filters that look like that in the brief period described. From the photo, it is apparent that the customer has some kind of either softener or activated charcoal filter in place before this filter, suggesting that all chlorine is removed from the water before it hits the filter. Since the filter housing is clear, this allows sunlight into the filter area, raising the temperature inside the canister, thus encouraging bacterial and algal growth inside the perpetually chlorine-free filtration system. This is an issue brought about by the homeowner's secondary "treatment" system, not by the utility's treatment process.
- 5) Questions related to Mr. Schwinn's "Comments and Questions by ACSA homeowners" will be addressed in a subsequent document as dictated by the Staff's Fifth Data Request. We respectfully request that any issue in Mr. Schwinn's document not covered in the data request should be addressed to the utility in either an email or an additional data request, if necessary.
- 6) Aquarina Utilities, Inc. respectfully submits the following questions, in reference to the fact that this inquiry was made on behalf of Mr. James Royer, who is not a utility customer. If landlords who are not customers are allowed to submit complaints and utilize the Florida Public Service Commission against a utility without being a customer, it follows that the landlords should also be held financially accountable for the unpaid utility bills left delinquent by their tenants when the tenants move without notifying the utility or paying their final bills. The utility would very much like to examine this topic further, particularly as the rate system established by the FPSC does not adequately support the maintenance of deposits to be collected and held for these renters as "insurance" against delinquency. This utility has been forced to write off as "Bad Debt" more than \$300,000 worth of "uncollectible" utility bills in the last five years of service under the premise established by the FPSC that an owner is not responsible for the tenant's utility bills.

Please let us know if you have any further questions regarding Mr. Royer's concerns and submission to the customer meeting.

Sincerely,



Kevin Burge
President, Aquarina Utilities, Inc.