

HC WATERWORKS, INC.

May 6, 2022

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 20210184-WS – Application for limited proceeding rate increase in Highlands County by HC Waterworks, Inc. – Response to Office of Public Counsel Letter

Dear Commission Clerk:

HC Waterworks, Inc. (HC Waterworks or Utility) hereby provides its response to the Office of Public Counsel's letter dated May 4, 2022 to Chairman Andrew Fay. HC Waterworks disagrees that the Commission should reconsider its vote on its own motion. HC Waterworks was in attendance at the May 3, 2022 Agenda Conference. At that agenda, the FPSC staff specifically identified the customer's letter and petition in its introduction of the item. The staff indicated that the Utility was working with the customers to address their concerns. Two representatives from the Office of Public Counsel were also in attendance at the agenda conference. No representative from the OPC spoke at the agenda or provided comments concerning the customer's letter or petition.

The Commissioners were aware of the letter and petition before they made a motion and voted on the item. It would serve no purpose to reconsider its vote when the Commissioners already had the referenced information presented to them before their vote.

HC Waterworks responded to the customer and petition in the attached letter. This letter was also submitted to the Commission on April 21, 2022 in PSC Case #1394406W. This was twelve days prior to the agenda. Thus, the Commission had this response in adequate time to take it under consideration.

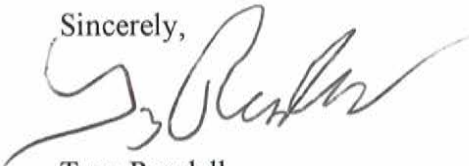
The customers' concerns in this petition are in one neighborhood, Covered Bridge and involve the odor and noise at the wastewater treatment plant and the odor at the newly installed forced draft aeration at the water treatment plant. HC Waterworks has given this customer a personalized tour of the WWTP and has explained how the treatment process works. This WWTP has been in existence for decades, approximately 40 years or more. The issue is a homebuilder has now built numerous homes around and adjacent to the WWTP. The proximity of these new homes and the increase in wastewater flow due to the new customers may be contributing to the customers' concerns. The same is true concerning the newly installed water treatment process. As explained to the customer, HC Waterworks has commissioned an engineering analysis from its contract operations company to review possible solutions and to determine the costs. Once this analysis is complete, HC Waterworks has indicated that it will compile the potential impact on the customers'

rates and has committed to meeting with the homeowners' association to present its findings. This is a seasonal community and many of the residents are not currently in Florida, so additional time will be required to complete this process.

In addition, HC Waterworks sent a Utility Manager to meet with each customer who provided comments in the docket. The vast majority of these customers have never contacted the utility concerning water quality. The few that did made contact years ago. The majority of the customers that the manager visited indicated that they did not have issues with the water. There were some customers who were not in residence and did not return phone calls in response to voice messages left. One of the customers was one that also signed the petition and indicated that she did not have issues with the water or the odor at the WWTP. Attached is a summary of the customer contacts that the manager made.

If you have any further questions or concerns, please do not hesitate to contact me at either trendell@uswatercorp.net or (727) 848-8292, ext. 245.

Sincerely,



Troy Rendell
Vice President
Investor Owned Utilities
// for HC Waterworks, Inc.

HC WATERWORKS, INC.

April 21, 2022

Concetta Charles
10464 High Grove Ave.
Lake Placid, FL 33852

RE: PSC Case # 1394406W

Dear Ms. Charles,

I'm writing you in response to your complaint filed in PSC Case#: 1394406W with the Florida Public Service Commission, as well as your subsequent letter to the utility. You voiced concerns over both the noise and odor emitting from the wastewater treatment plant (WWTP). I understand that Ms. Sharon Purviance gave both you and your husband a guided tour of the wastewater treatment and explained the treatment process. In your recent letter you also voiced concerns about the odor at the water treatment plant.

The wastewater treatment plant in the Covered Bridge community has been in existence for numerous decades (estimated to be over 40 years) and was constructed in the early stages of the community. HC Waterworks, Inc. purchased the facility in 2013 from the previous owner. Since that time HC Waterworks has spent an extensive amount of capital to make improvements to the WWTP. Most recently, we replaced the blowers with larger more efficient ones and moved them to the other side of the plant. We also recently and built a concrete enclosure around the blower motors to help with noise reductions.

The blowers are a necessary component of the treatment process to properly treat the wastewater to required standards. The wastewater utility is regulated by the Florida Department of Environmental Protection (FDEP). The FDEP routinely conducts compliance inspections at the plant. HC Waterworks is in compliance with all of the FDEP requirements. These rules can be found in Section 62-600, Florida Administrative Code.

Ms. Purviance has been to the WWTP numerous times with a Decibel detection device. Each time the noise levels were well below the standards of Highlands County requirements. The noise levels have declined and are still below the county's limits. The blowers run on timers in order to properly treat the wastewater to FDEP requirements. In moving the blowers and building the enclosure, the levels have been reduced further. Again, these blowers are required components in the treatment process. As pursuant to her explanation and your complaints regarding noise at nighttime hours, the blowers are set to run for 15 minutes every few hours to mix the plant as necessary. However, during the daylight hours, the blowers have to be run as needed to meet the FDEP requirements for treatment and to stay in compliance with the state regulations as has been previously explained.

Keep in mind that when the WWTP was first constructed, there were no homes in close proximity to the plant. Recently the builder has built numerous homes around the WWTP. This also caused an increase in wastewater flows being sent to the WWTP. As a result the increase in flows causes an increase in both odors and run time of the blowers.

The vegetation around the WWTP assists in the odor control. Odors may increase slightly during the times the homeowners are using the bathrooms and the flow is increased at the plant. However, odors are typical of wastewater treatment plants. This is a smaller treatment plant in comparison to larger municipal plants. Odors may be carried by the winds depending on which direction it may be blowing. The odors at this plant are significantly less than larger facilities throughout the state.

I have also visited the WWTP numerous times and do not find the odor overly obnoxious. HC Waterworks has taken all necessary actions to address the customers' concerns. However, as explained below HC Waterworks is committed to working with the residents on possible solutions to their concerns.

Additional Considerations

I spoke with the President of HC Waterworks yesterday (4/20/22) about you and your neighbors' concerns. As a result, HC Waterworks has commissioned an engineering study from U.S. Water Services Corporation. The engineering analysis will evaluate possible solutions to: (a) odor control at the wastewater treatment plant; (b) an appropriate building around the WWTP blowers; and (c) odor control at the water treatment plant.

WWTP – the utility is considering further odor control at the WWTP. This includes a cover on the plant and carbon filtration on the released air. We believe this will cost approximately \$180,000 to \$225,000 in upfront capital cost as well as an increase in annual operating costs. This is due to the carbon costs, as well as additional chemical costs to treat the odor. We have not determined the annual increase in operational costs. This will be addressed in the engineering analysis.

Blower enclosure – the utility is considering a building around the blowers. This will require a larger structure with air conditioning for the blower motors. These motors release a significant amount of heat when they are operations. We believe this will cost approximately \$80,000 to \$90,000 and an increase in operational costs of \$2,400 - \$3,200 due to the electrical costs.

WTP – the utility is also considering the addition of an air scrubber for the force draft aeration at the water treatment plant. This cost has not be determined but it is believed to be around \$200,000.

After the completion of the engineering study and the determination of both the up front capital costs and the increased operating costs, I will perform an analysis to determine the potential impact on the customers' rates. HC Waterworks believes the capital costs may be approximately \$400,000 to \$600,000 and the increase in operating costs may be approximately \$35,000 - \$40,000 annually.

At that time, we request an in person meeting with the Homeowners Association and the residents of Covered Bridge. At the meeting we can explain the potential solutions and the potential impact on the water and wastewater rates. We will also need a "buy in" and approval of the residents to move forward.

Since these items are not currently being required by any governmental regulatory agency, the customers need to approve HC Waterworks, Inc. moving forward with these items. These potential capital projects and resulting increase in operating costs will be required to be passed onto the customers through an approved rate increase in both water and wastewater rates. This will be explained further at the future customer meeting.

We request your assistance in providing the appropriate contact person or persons to schedule this meeting once the engineering and rate impact studies are complete.

The utility president, Sharon and myself have attended numerous HOA meetings in Covered Bridge in the past and have explained what has been and what is being done. This was successful when we installed the new force draft aeration project for sulfur removal at the water treatment plant. In that project we met with the HOA numerous times to explain what would be required and what the potential impact would be on the customers' water rates. Ultimately, the HOA and customers agreed that the utility should move forward.

The same is needed here, we would need the customers to agree that the utility should move forward and agree that an increase in rates is appropriate. These capital expenditures can not be placed at risk without the approval of the customers. HC Waterworks is committed to working with its customers and the residents of Covered Bridge on implementing the appropriate solutions to the residents concerns.

If you have any questions or concerns please contact me at (727) 848-8292 ext. 245. Thank you.

Sincerely,



Troy Rendell
Vice President
Investor Owned Utilities
/// For HC Waterworks, Inc.

Name	Address	Phone	Date	Residual	Odor	Color	Piping	Filter/Softener	Comments	Previous Contacts
Jennifer Sarzynski	1112 Josephine Ct	586-291-9462	6/25/2022	1.2	none	clear	pvc	Whole House filter	Water quality good now but has a whole house filter, discussed treatment chemicals, etc. said her husband can smell chlorine sometimes.	6/19, 1/20
Kara Muha	5509 Riverway		4/25/2022	1.0	none	clear	pvc	not noted	No one home, no phone number to call..	None
Donna Cassidy	117 Marrero	863-253-2688	4/25/2022	1.3	none	clear	galv	none	Customer has a well and feels water should be free. We discussed cost of treating water etc, she'd like to use her own well I told her I would find out if allowable but to please have her well tested for safety prior to consuming. Confirmed with customer that she can use her well but will have to be completely disconnected from our system and to please ensure she has her well properly tested prior to consuming.	None
Robert Smith	2375 Preston Ave		4/25/2022						No one there, appears gone for a trip, possibly seasonal, water was not on at outside spicket.	None
Richard Barbara Wiley	409 Lake Josephine Shores	863-414-2970	4/25/222	0.9	none	clear	pvc	none	Customer stated that he has no issues with our water, it's fine. Stated his wife must have written complaint because she doesn't like to spend money and she gets calcium on her glasses. Discussed that a little vinegar should dissolve the calcium, it's a common occurrence in FL.	8/13, 8/15, 10/15, 10/17
Manny Ernhart	1912 Sentinel	941-928-8336	4/25/2022	1.2	none	clear	pvc	not noted	No answer at door (this is the house with the very nice plants/landscaping) Sent copy of CCR to customer.	3/17, 1/20
Barbara Guy	5316 Riverway	863-465-0098	4/25/2022	1.4	none	clear	pvc	none	By no chlorine she meant we hadn't done a burn in 2 years and that was correct, stated after the burn water much better, uses very little water and appreciates us flushing more often in summer. Thanked me for coming by.	None
M&M Carzola	102 Marrero	407-409-2134	4/25/2022	1.1	none	clear	galv	none	Went by 2x and called no answer. Will send customer a printed copy of CCR as they noted they don't think water was safe. Trash cans still out front at 17:30 on 2nd try, no answer on phone.	None
Lalene Jacelon	225 Lake Josephine Shores	863-655-5426	4/25/2022	0.9	none	clear	pvc	not noted	Customer not home, left a voice message to let her know I was there and would like to discuss her calcium issue and how to handle it. No call back.	None
Patty Downs	43 Pinecrest	317-714-2907	4/26/2022	2.4	none	clear	pvc	not noted	Home closed up for summer.	None
Kathy Madden	113 Sharon Ave		4/28/2022	2.2	none	clear	galv	none	Customer states nothing wrong with the water, she doesn't want a rate increase. Also asked if we were hiring.	None
Wanda Dickerson	158 Woodside Drive	863-633-8036	4/26/2022	2.4	none	clear	pvc	yes/both	A little aggressive at 1st claimed to have received letters saying water was "toxic" and not safe to drink, has a softener and filter on her water, removes almost all of the chlorine going into the house. Talked about the treatment, water testing etc. she did say she appreciated us coming by.	20-Oct
Carol Corah	101 Edgewater	716-228-7628	4/26/2022	2.1	none	clear		none	Customer states no issues with water, uses to cook drink, had questions regarding iron content, thanked us for checking.	None

