

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: March 4, 2008
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Rosanne Gervasi, Senior Attorney, Office of the General Counsel *RG*
RE: Docket No. 060368-WS - Application for increase in water and wastewater rates in Alachua, Brevard, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia and Washington Counties by Aqua Utilities Florida, Inc.

Please file the attached Minutes of February 26, 2008 Informal Meeting With Aqua Utilities Florida, Inc., in the above mentioned docket.

060368/Minutes-Aqua meeting.rg.doc

DOCUMENT NUMBER-DATE

01646 MAR-4 8

FPSC-COMMISSION CLERK

Minutes of February 26, 2008 Informal Meeting
With Aqua Utilities Florida, Inc. (Aqua)

Meeting commenced at 1:30 p.m. and adjourned at 2:30 p.m.

Attendees

Representatives of Aqua:

Chris Franklin (by telephone)
Kimberly Joyce (by telephone)
Jack Lihvarcik
Bill Kephart (by telephone)
O.C. Pinkney (by telephone)

Office of Public Counsel (OPC):

J.R. Kelly
Charlie Beck

Office of the Attorney General:

Cecilia Bradley

Florida Public Service Commission staff:

Cheryl Bulecza-Banks
Rosanne Gervasi
Marshall Willis

Customers of Aqua:

Debbie Carter, Chuluota (by telephone)
Nancy Evans, Chuluota (by telephone)
Justo Guillemos, Chuluota (by telephone)
Terrence Laakso, Chuluota (by telephone)
Tony Moschella, Chuluota (by telephone)
Kelly Sullivan, Chuluota (by telephone)
Diane Twisord, Chuluota (by telephone)

Purpose of Informal Meeting:

To review Aqua's response time performance relative to the Commission's complaint process, and any other service quality issues that may have arisen since the January 24, 2008, informal meeting with Aqua. This is the last such meeting that will be conducted pursuant to the Settlement Agreement reached in the rate case filed in Docket No. 060368-WS.

I. Call Center Project

Bill Kephart:

The average number of calls per day received by the Call Center increased in January from the December 2007 call volume. Aqua attributes this to a reduced call volume experienced during the December holiday season. The call abandonment rate in January was 3.4%, which is below Aqua's target of no more than 5% abandoned calls. This shows sustained improvement from previous months. The service level in January was 81%. This is the number of calls answered within 90 seconds. The average speed to answer a call in January was 51 seconds. The average call handle time in January was 4 minutes, 1 second. These improved statistics show that some of the changes Aqua put in place during the August – September 2007 timeframe have resulted in improvements.

The top ten reasons why Florida customers called Aqua in January 2008 (at month end) include:

- 19% - move in/move out
- 14% - verify account balance
- 11% - explain bill
- 8% - customer account changes
- 6% - payment arrangement (for collections)
- 6% - high bill complaint
- 6% - pay by phone
- 3% - payment confirmation number
- 3% - no water
- 2% - customers disputing their bills

The above reasons represent 78% of all calls taken in January; the remaining 22% of calls were made for all other reasons. The total number of Florida calls taken in January was 4487 calls. This was up from 3264 calls taken in December. Aqua has 39,000 Florida customers, including its customers in Sarasota County, which is a non-jurisdictional county for the Commission.

II. Training in Call Centers

Bill Kephart: Aqua's training initiative includes a training team and a scoring process. The training program will be fully implemented by March 1, 2008.

Diane Twisord called Aqua last week and has not received a call back as of yet. The customer service representative whom she called was out of the office and will be returning her call.

III. Meter Replacement/Meter Reading

Jack Lihvarcik: So far, 2635 meters have been replaced in Lake County. Aqua will begin changing out the meters in Chuluota on March 13, 2008, at the end of the March meter reading cycle so that customers will not receive estimated bills. Letters notifying customers of the

upcoming meter change outs will be sent out next week. Aqua is on target to complete the 13,500 meter change outs by the end of September 2008.

The meter change outs that have occurred as of February 22, 2008 is as follows:

Fairways at Mt Plymouth	478
Kingscove	204
Morningview	29
Western Shores	407
Quail Ridge	95
Grand Terrace	111
Tangerine	245
Fern Terrace	122
Palms Mhp	62
Stonemountain	10
Picciola Island	245
Ravenswood	43
48 Estates	83
Silverlake Estates	<u>438</u> (currently still changing)
Grand Total	2635

Coordination with the meter reading department is going smoothly.

Cheryl Bulecza-Banks asked whether the meter numbers will be programmed into the system. Jack Lihvarcik stated yes, and that the project manager is entering this information in as the meters are being changed out. Aqua is also checking for duplicate meter numbers. All meters are in an inventory system and if a number is invalid, this will show up. The system also searches for duplicate meter numbers.

Nancy Evans stated that she has yet to receive a bill that matches the actual read. The bill says "actual," but it is not because the bill is always rounded off. Cheryl Bulecza-Banks explained that customers will never get the exact read. All bills are rounded. The rate is based on 1000 gallons and meter reads are typically rounded in water and wastewater systems. The meters that were pulled during the course of the rate case were sent to Mars testing lab for testing and refunds were issued to customers when the meters tested out of the acceptable range. Jack Lihvarcik explained that the refunds were based on an average of three flow levels that were tested.

Terrence Laakso suggested that air in the lines can cause an inaccurate read.

Nancy Evans expressed concern that the higher gallonage that is run through a meter, the more the read will be off. Her meter was replaced in August 2007 and ever since then, there has been 15,000 gallons less usage reflected on her monthly bill. Marshall Willis explained that high, medium, and low flow tests are run at the certified lab. Ms. Evan stated that someone was

supposed to send her a copy of the calculations. Cheryl Bulecza-Banks stated she sent the calculations to Mr. Ron McKay and that she will send them directly to Nancy Evans, as well.

Justo Guillemos stated that his meter replacement date was off by seven days, and that his total bill is off by almost 400 gallons. He received two separate bills in one month. O.C. Pinkney checked Mr. Guillemos's account balance and found that Aqua took an actual read in February and that his account balance is \$115.96. His prior bill was cancelled. Mr. Guillemos asserted that his bill is still off by 400 gallons. Aqua will look into the meter change and will make a further correction if it is incorrect. An Aqua representative will call Mr. Guillemos upon completion of this research.

Terrence Laakso inquired as to whether Aqua has figured out why so many estimated bills were received on his street. Aqua advised yes, and that Mr. Laakso's actual read is higher and that Aqua is willing to set up a payment plan for him. Wastewater bills are capped at 6000 gallons of water usage.

IV. Town Hall Meetings

The first town hall meeting was held in January, in Mt. Dora, and covered Lake, Orange and Sumter Counties. Thirty-eight customers were present and the meeting went well. The second town hall meeting is scheduled for February 28, 2008 and will cover Aqua's systems in Marion and Alachua Counties. The March town hall meeting will be located at a Quality Inn in Palatka and will cover the Putnam County systems. Aqua plans to conduct a town hall meeting in April in Deland to cover its systems in Seminole, Brevard and Volusia Counties.

Kelly Sullivan expressed concern that Deland is far to drive for the Chuluota customers and inquired whether the meeting can be held closer to Chuluota, or whether a separate town hall meeting could be held for Chuluota customers. Marshall Willis reminded Aqua that the Commission conducted 12 customer service hearings during the course of the last rate case proceeding in order to reach out to as many customers as possible. Aqua will file the dates/locations of all town hall meetings conducted in Docket No. 060368-WS.

V. Q & A

Chuluota customers inquired about the progress made with respect to the chloramination conversion being done in their service area. Jack Lihvarcik advised that the DEP did their final inspection today and all equipment has been installed. The DEP inspector has given verbal approval and the permit to operate will be issued in approximately one week. A letter will be sent to the customers advising of when the conversion will take place.

Aqua will flush the system twice per year and a mailer will go out to customers before each flushing. The requirement to flush two times per year is because of ammonia build-up and is standard procedure for chloramine disinfection systems. The conversion is expected to bring the Chuluota system into compliance with the TTHM standards. It will take time for compliance to be achieved. Aqua will test quarterly and hopes to be below the MCL after the first quarterly test. The fourth quarter TTHMs were at 139. The next round of quarterly samples will be done

on May 18, 2008. It takes a couple weeks to get the test results, which are then reported to the DEP. Public notifications are required by DEP if Aqua remains out of compliance with the MCL. Tony Moschella stated that the water smells and is undrinkable.

Meeting adjourned: This was the final of the six monthly meetings relative to the Commission's customer complaint process. These minutes will be posted to the "Hot Topics" section on the Commission's website and will be filed in the docket file. Individual customer complaints should be called into Aqua's call center. If customers are dissatisfied with the resolution provided by Aqua, they can always call the Commission's toll free complaint line, 1-800-342-3552.