

State of Florida



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Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: February 14, 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 January 24, 2008 Informal Meeting With Aqua Utilities Florida, Inc., in the above mentioned docket.

060368/Minutes/Aqua meeting.rg.doc

DOCUMENT NUMBER-DATE

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COMMISSION CLERK

Minutes of January 24, 2008 Informal Meeting
With Aqua Utilities Florida, Inc. (Aqua)

Meeting commenced at 10 a.m. and adjourned at 11:30 a.m.

Attendees

Representatives of Aqua:

Chris Franklin (by telephone)
Kimberly Joyce (by telephone)
Jack Lihvarcik
Rick Fox (by telephone)
Nance Guth (by telephone)
Bill Kephart (by telephone)
O.C. Pinkney (by telephone)
Stan Sczygiel (by telephone)
Carl Smith

Office of Public Counsel (OPC):

Charlie Beck

Florida Public Service Commission staff:

Cheryl Bulecza-Banks
Rosanne Gervasi
Rhonda Hicks
Marshall Willis

Customers of Aqua:

Janet Armstrong, Chuluota (by telephone)
Justo Guillermos, Chuluota (by telephone)
Joanne Juste, Chuluota (by telephone)
Terry Laakso, Chuluota (by telephone)
Nancy Evans, Chuluota (by telephone)
Ron McKay, Chuluota (by telephone)
Gary Schwartz, 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 December 27, 2007, informal meeting with Aqua.

I. Call Center Project

Bill Kephart:

Bill Kephart is in charge of all three of Aqua's call centers. Florida calls are routed to Aqua's call center in North Carolina. The other two call centers are located outside of Philadelphia and Chicago. All three locations operate as a single call center. The December response time results indicate that December was the best month Aqua has experienced to date. The call volume decreased in December also. The end of year call abandonment rate was 2.4%, down from 15% during the summer months. Service level increased to 86%, the average speed of answer was 37 seconds, and the average "handle time" (sum of talk, hold time, and after call work) was 4 minutes, 14 seconds.

The top ten reasons why Florida customers called Aqua in January 2008 include:

- 19% - move in/move out
- 13% - verify account balance
- 10% - explain bill
- 8% - payment arrangement (for collections)
- 7% - customer account changes
- 6% - pay by phone
- 5% - high bill complaint
- 4% - payment confirmation number
- 3% - no water
- 3% - customers disputing their bills

The total number of Florida calls taken in January to date is 3071. The top ten reasons for Florida calls represent 78% of the total calls taken. The remainder of calls were for all other reasons. The main difference between the December and January calls is that there were calls taken to explain the interim rate refunds in December, whereas by January, since all credits have been applied to customer bills, the interim refund is no longer an issue.

Ron McKay: These metrics do not reflect customer satisfaction. Just because the customers are not making the phone calls does not mean they are satisfied with the utility.

Terry Laakso has had an estimated bill since last April. Every month the bill says "estimated usage." This customer's address is 252 Organza Place, Chuluota. Nancy Evans and Justo Guillemos also have received estimated bills every month. Their addresses are 319 Velveteen and 379 Velveteen, respectively.

Chris Franklin: Aqua averages 3% bill estimates. Some bills may be estimated for longer periods. Aqua will look into this. Charlie Beck requested that if Aqua prepares a written report about this, that OPC be provided a copy.

Diane Twisord stated her meter was running fast. She made an appointment with Aqua for a meter change out twice, and was stood up both times. A representative came out for the third

appointment she made. The meter was changed out and was determined to be running fast. The meter was read up by 600+ gallons. She stated that when customers call in, no one wants to help.

Jack Lihvarcik will follow up with Ms. Twisord.

Nancy Evans: wants an investigation too. Her meter has been replaced and was running fast. Cheryl Bulecza-Banks: Aqua refunded Ms. Evans for one year, in accordance with Commission rules. The Commission staff verified the refund amount. The calculation is based on the percentage of the meter that was running fast. Cheryl will e-mail a spreadsheet showing the calculations to Ron McKay. Aqua will look into Ms. Evans's estimated reads.

Ron McKay: Aqua stopped and read his meter last week, but the meter reader did not stop at his neighbors' houses. He is concerned that the conversion to radio frequency devices (RF) will be another way for Aqua to "mask" not reading meters.

Jack Lihvarcik: There are 1500+ customers in Chuluota and only new homes have RF so far, or meters that have been changed out and tested. He will look into how many RF meters are in Chuluota, and specifically near Mr. McKay's home.

Justo Guillermo stated his meter was changed out and he does not know why; the meter was not running inaccurately.

Jack Lihvarcik will research each of these accounts. Marshall Willis requested to see Mr. Laakso and Mr. Guillermo's bills for the last 12 months.

Gary Schwartz: Water quality is a big concern regardless of whether it makes the top 10% of reasons why Florida customers call the call center.

Jack Lihvarcik: Wells Nos. 1 and 2 provide all the drinking water for Chuluota. Aqua has construction permits from the Department of Environmental Protection (DEP) for both wells. Aqua has completed the construction and the DEP has given final approval on the construction that was installed. Aqua is now waiting for its operating permit. Chemical pumps have been installed at both wells to control chlorine pumps; however, the pumps are not communicating properly. Aqua cannot convert to chloramination until the pumps are operating properly. The conversion to chloramines will be done after this is fixed. Optimistically, this should be fixed by the end of January, and Aqua is looking to receive its DEP operating permit by the end of February. All of Chuluota will be converted to chloramination. Chris Franklin stated that Aqua's objective is full regulatory compliance. Certain existing employees have been replaced with higher quality employees to achieve this end.

II. Training in Call Centers

Bill Kephart: There is some turnover in the call center, but this is not unusual for call centers generally. At present, there are three fulltime openings throughout the system. A team has started up a quality monitoring system which has been launched. The program is up and running and this should improve call center representative (CSR) training.

III. Meter Replacement/Meter Reading

Jack Lihvarcik: Conversion to electronic metering of the 14,000 meters within the Florida systems subject to Commission regulation began on January 2, 2008. 1300 meters have been changed out so far in Lake County. 1500 meters will have been changed out by the end of January. 480 meters have been changed out at the Fairways, Kings Cove, and Western Shores service areas. All meter change outs should be completed by the end of September 2008, rather than by December 2008, as originally estimated.

The anticipated schedule for meter change outs over the next few weeks is as follows. This schedule is subject to change depending on contractor problems with leaks, etc.:

Route No. 8425 Quail Ridge: 1/23/08 – 96 meters
Route No. 8417 Grand Terrace: 1/24/08, 1/28/08 – 111 meters
Route No. 8411 Tangerine: 1/29/08, 1/30/08, 1/31/08, 2/4/08, 2/5/08 – 287 meters
Route No. 8415 Fern Terrace: 2/6/08, 2/7/08 – 125 meters
Route No. 8422 Palms mph: 2/11/08 – 68 meters
Route No. 8423 Picciola Island: 2/12/08, 2/13/08, 2/14/08 – 154 meters

IV. Town Hall Meetings

Chris Franklin: The first town hall meeting will take place on January 29, 2008, from 6 pm – 8 pm in Mt. Dora. Customers in this area have been noticed and 11 confirmed customer reservations have been received. Aqua held town hall meetings in NC recently and the customers were pleased with the town hall format. This is an expo atmosphere, with displays and graphics about water utility operations. Aqua will explain improvements the utility is making to the specific systems in the area of the town hall meetings, and will also explain the RF change out program.

The second town hall meeting is scheduled to take place on February 28, 2008, for customers in Marion and Alachua Counties.

The third town hall meeting will take place in Palatka. A date has not been set as yet.

A town hall meeting will be held for Chuluota residents in Seminole County. There will be six town hall meetings in total, in the following locations: Mt. Dora (Lake County); Palatka (Putnam County); Marion County; Sebring (Highlands County); Pasco County; and Seminole County.

OPC will attend the town hall meetings. Ron McKay suggested Commission staff should attend the town hall meetings. Marshall Willis advised either OPC or Commission staff will likely attend. Marshall Willis inquired about whether a town hall meeting will be scheduled in Franklin County and Chris Franklin stated cost is an issue. Marshall advised the town hall meetings are supposed to cover the entire customer base.

Ron McKay inquired whether the cost of the town hall meetings will be included in rates. Marshall Willis indicated it will be a matter for the Commission to evaluate if the expense is in the test year of a forthcoming Aqua rate case.

V. Q & A

Nancy Evans stated she received something on her door this week advising her water was being tested and she found that her hose had been disconnected. If Aqua is going to come out to her home, she wants notice. Jack Lihvarcik advised that Aqua will test Ms. Evans's water sample and the results will be available tomorrow. Aqua will advise her of the test results. Harbor Branch is Aqua's contracted water lab. The lab sends Aqua specific bottles for specific tests.

Nancy Evans also had a question about how irrigation is being billed. Aqua stated it will cost her \$1000 for an irrigation meter. She is paying a sewage rate for irrigation. Staff explained the wastewater bill has a 6000 gallon cap on usage, and that Aqua must charge its tariff charge for meter installation.

Nancy Evans and Diane Twisord both expressed concerns about the level of TTHMs in the water, and Ms. Twisord has a continuing concern about Aqua doing the water sampling. Jack Lihvarcik advised the operators employed by Aqua are licensed operators by the State. Their license is on the line if they try to skew the results in Aqua's favor and they will not put their livelihoods on the line in order to do that. Water labs are also certified by the state. The accuracy of testing is a major concern and a top priority for Aqua.

Diane Twisord inquired about the progress of DEP's permitting website. Staff advised DEP is the agency to contact with such an inquiry.

Next Meeting:

Notice of the next and final monthly meeting will be posted to the "Hot Topics" section on the Commission's website and will be filed in the docket file.