

**Eric Fryson**

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**From:** Dana Rudolf [drudolf@sflaw.com]  
**Sent:** Friday, February 03, 2012 1:24 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Martin Friedman; Bart Fletcher; Martha Brown; reilly.steve@leg.state.fl.us; smlubertozzi@uiwater.com; KEMarkwell@uiwater.com; pcflynn@uiwater.com; rjdurham@uiwater.com; kenneth.curtin@arlaw.com  
**Subject:** Docket No. 110264-WS; Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

**Attachments:** PSC Clerk (Resp to 4th Data Request).ltr.pdf

- a) Martin S. Friedman, Esquire  
Sundstrom, Friedman & Fumero, LLP  
766 North Sun Drive, Suite 4030  
Lake Mary, FL 32746  
(407) 830-6331  
[mfriedman@sflaw.com](mailto:mfriedman@sflaw.com)
- b) Docket No. 110264-WS  
Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.
- c) Labrador Utilities, Inc.
- d) 20 pages
- e) Response to Staff's January 25, 2012 Request for Information.

DOCUMENT NUMBER-DATE

00699 FEB-3 2012

FPSC-COMMISSION CLERK



February 3, 2012

VIA E-FILING

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Docket No. 110264-WS; Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.  
Our File No.: 30057.199

Dear Ms. Cole:

This correspondence is in response to Staff's January 25, 2012, request for the following information:

1. Explain in detail how Labrador provides Precautionary Boil Water Notices to its customers.

**RESPONSE:** Labrador has not issued a Precautionary Boil Water Notice (BWN) in over a year. However, in the event that a BWN is required to be issued, Labrador uses multiple methods of communicating with the affected customers including the following:

- A. If the BWN affects a small number of customer connections, the BWN is attached to door hangers and left on the door of the affected customers' homes. Historically, water outages are typically limited to specific streets or portions of the distribution system in order to make repairs. Once the BWN is rescinded, notices are hung on the same doors with the news that the BWN is no longer in effect.
- B. For all BWNs, no matter how many customers are affected, an outbound telephone message is made to all affected customers who have an active phone number posted on their account. The message format includes identifying that the caller is Labrador Utilities with important information. This is followed by specific information regarding the BWN and concludes with the toll-free Customer Service number to call if the customer has any

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questions. Once the BWN is rescinded, another reverse 911 call is issued to the same customers notifying them that the BWN is no longer in effect.

- C. Depending on what time the disruption of service or water outage occurs, Labrador's field staff notifies the Forest Lake Estates office. The Forest Lakes Estates general manager has agreed to post BWNs issued by Labrador on the community's CCTV channel, which is available to those who subscribe to Brighthouse Networks for cable service. This method is most commonly used when a BWN is issued during normal business hours when the Forest Lake Estates office is staffed. Once the BWN is rescinded, Labrador notifies the office that the BWN is no longer in effect.
- D. In the case of a BWN that requires notifying the whole community, signs are placed at both entrances to Forest Lake Estates as well as notifying the Forest Lake Estates office for posting on the community CCTV channel. Once the BWN is rescinded, the signs are updated to reflect the rescission date.

To reiterate, Labrador does not post signs at the entrances if the BWN is limited to a moderate number of residences and those residences can be tagged in an efficient and timely manner by field staff.

In addition to BWNs, Labrador also provides the Forest Lake Estates general manager with a schedule of flushing activity in the community, which is typically done on the first Monday of each month. The general manager has agreed to post reminders of the flushing schedule on the community's CCTV channel. It is important to differentiate between the issuance of a BWN that rarely occurs and the notification of distribution system flushing activity, which is a monthly maintenance activity. Flushing activity does not require the issuance of a BWN.

- 2. Please provide a copy of the Utility's 2006 Water Tank Inspection Report.

**RESPONSE:** Attached is the 2004 Tank Inspection Report. There was none done in 2006.

- 3. Rule 25-30.433(10), F.A.C. states that a utility is required to own the land upon which the utility treatment facilities are located, or possess the right to the continued use of the land, such as a 99-year lease. The Commission may consider a

written easement or other costs-effective alternative. The following items pertain to the Utility's Lease Agreement with Forrest Lake Estates Co-Op., Inc.:

a. At the customer meeting held on January 18, 2012, it was alleged that the Utility was in arrears for seven months in its lease payments.

(1) Is it true that the Utility is in arrears in its lease payments;

**RESPONSE:** The Utility was in arrears in the payment of the incremental increase in the lease payment (\$468.00 per month) owed to Forest Lake Estates Co-Op between June, 2011, and January, 2012.

(2) If so, by how many months is the Utility delinquent;

**RESPONSE:** The Utility was in arrears for eight months for the incremental amount of the increase in the lease payment amount. During that time period, Labrador Utilities, Inc., continued to make payment in the amount of \$4,095 per month.

(3) If delinquent, what is the total amount past due;

**RESPONSE:** The total past due amount was \$3,744.00 or \$468.00 per month.

(4) What, if any, late fees have the Utility incurred;

**RESPONSE:** No late fees were incurred.

(5) If the answer to 3(a)(i) is yes, when does the Utility plan to bring its outstanding amounts current in order to stay in compliance with Rule 25-30.433(10), F.A.C.;

**RESPONSE:** The past due amount of \$3,744.00 has been paid as of January 31, 2012.

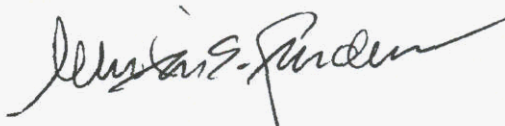
(6) Please provide an explanation for why the Utility is in arrears on its lease payments.



**RESPONSE:** According to the terms of the Lease executed in June of 1999, the lease payment amount increases every six years. Prior to last year, the monthly payment amount of \$4,095.00 had been paid routinely since June of 2005. It is customary at the beginning of each calendar year to verify for the benefit of Accounts Payable clerk in the Accounting Department the amount of the monthly payment so that the monthly payment can be processed and paid in a routine manner throughout the new calendar year. On August 8, 2011, part way through the year, Forest Lake Estates Co-Op provided written notice of the amount of the increase that became effective in June, 2011, an increase of \$468.00 (16%). This notification of the increased lease payment amount was promptly forwarded to the Accounting Department, but due to an oversight on the part of the Utility, the recurring payment amount was not adjusted at that time to reflect the new monthly payment amount of \$4,563.00. On a going forward basis, the Utility will routinely pay the revised monthly lease payment amount of \$4,563.00. The annual lease expense now totals \$54,756.00.

Should you have any questions concerning this response, please do not hesitate to give me a call.

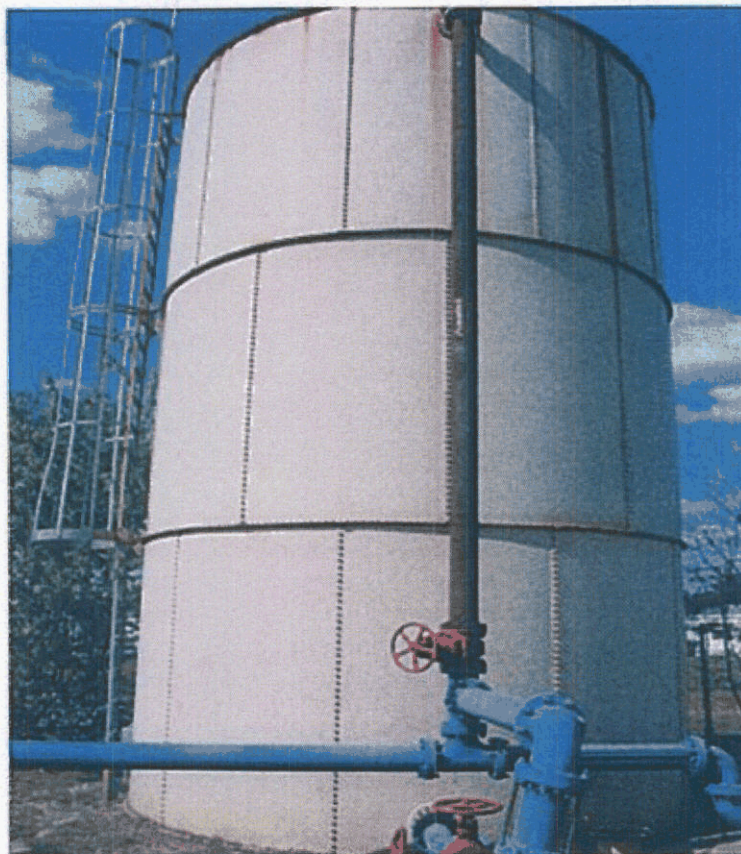
Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/mp  
Enclosure

cc: Bart Fletcher, Division of Economic Regulation (w/enc. - via e-mail)  
Martha Brown, Esquire, Office of General Counsel (w/enc. - via e-mail)  
Stephen C. Reilly, Associate Public Counsel (w/enc.)  
Kenneth Curtin, Esquire (w/enc.)  
Steven Lubertozzi, Executive Dir. of Regulatory Accounting & Affairs (w/enc.) (via e-mail)  
Kirsten Markwell, Manager of Regulatory Accounting (w/enc.) (via e-mail)  
Patrick C. Flynn, Regional Director (w/enc.) (via e-mail)  
Rick Durham, Regional Vice President (w/enc.) (via e-mail)



**Utilities Inc. of Florida  
200 Weathersfield Ave.  
Altamonte Springs, FL 32714  
34,000 Gallon Standpipe  
RE: Labrador Reservoir**

**April 19, 2004**

**Mike Dunn, Primary Contact  
(407) 869-1919**

**Liquid Engineering Corporation (LEC) Job No. 22191-E**

If there are any questions concerning the information contained within this report, please call  
Liquid Engineering Corp. at 1-800-438-2187

693/5.5



**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**

Due to the heightened awareness of the possibility of unauthorized access to water tanks and water contamination, ladder guards, locks on manways, and locks on all valves should be considered a public safety requirement.

We recommend installing an electronic monitoring system on the roof hatch and replacing all standard air vents with Security Vent Shrouds.



**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**

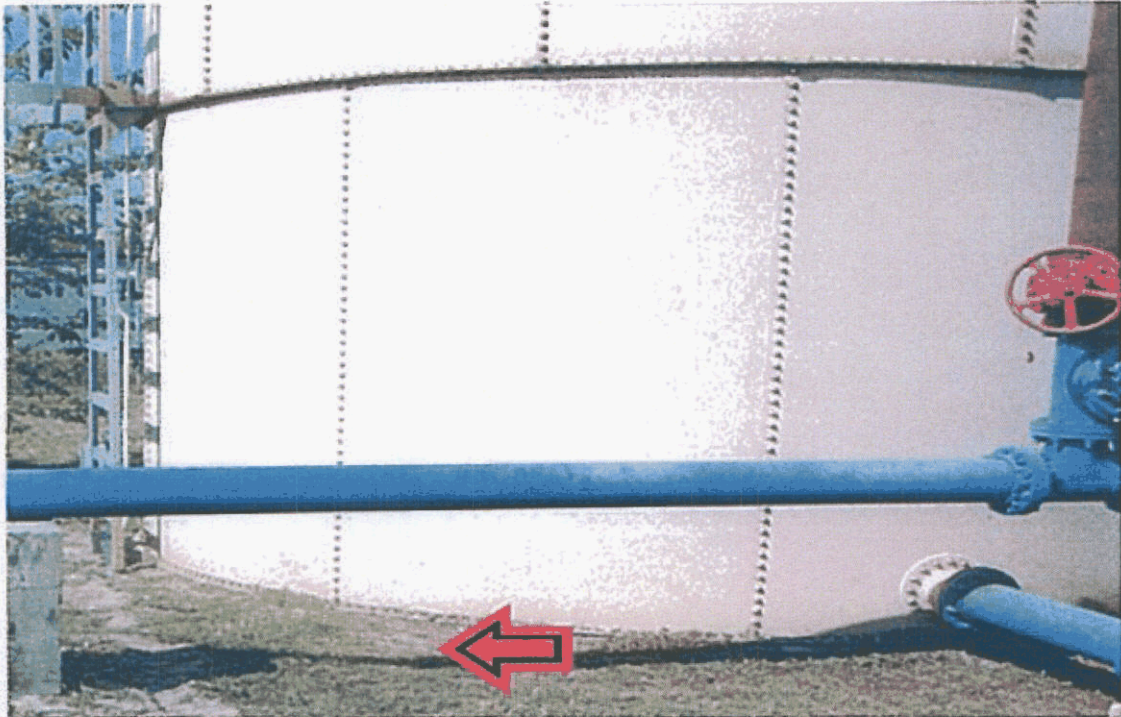


Photo shows the condition of the foundation. We recommend clearing any dirt, debris and other loose gravel away from the tank foundation, down to a minimum 6" below top of foundation as required by AWWA D100-96, Section 12.6.1: Foundations for flat bottom tanks. (see glossary pg. 3). This should be done by a local excavating company.

We further recommend repairing any cracks and spalling in the concrete with a commercial non-shrinking grout, then caulking around the base of the tank to foundation connection to prevent water from entering under the tank and sealing the foundation with a concrete sealant.

We also recommend electrically grounding the tank for lightning protection as required by OSHA, (general duty clause) (see glossary ).

**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**



Photo shows the condition of the tank shell. The tank is not equipped with a manway. The following items are required to bring tank in compliance with AWWA D100-96, section 7.1: Shell Manways, OSHA, and TSS, (see glossary pg. 8):

We recommend:

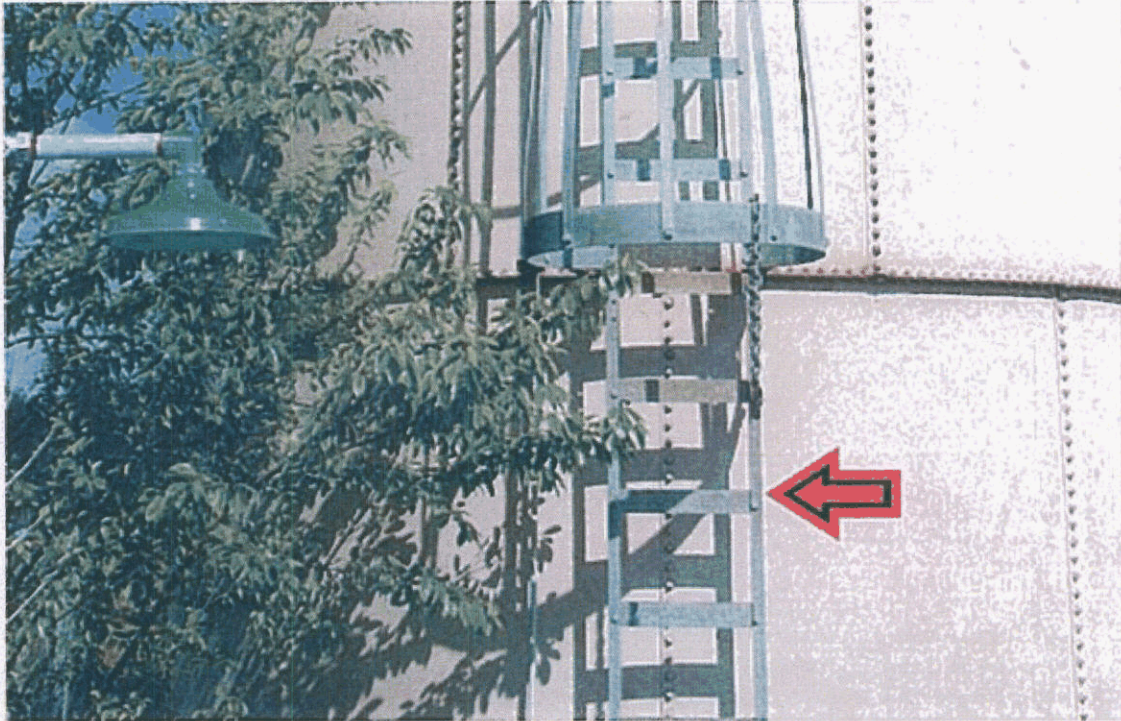
Install a 36" manway

*check to see if installed*

Note: For safety reasons we have recommended a 36" manway instead of the required 24" manway.



**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**



Shell ladder in above photo is in compliance with OSHA and AWWAD100-96, Section 7.4: Ladders, 7.4.1: Outside Tank Ladder, regulations. We recommend installing a cable type ladder safety device, and posting a **Fall Protection Required** sign.

For adequate fall protection, we have recommended installing a cable type ladder device.



**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**

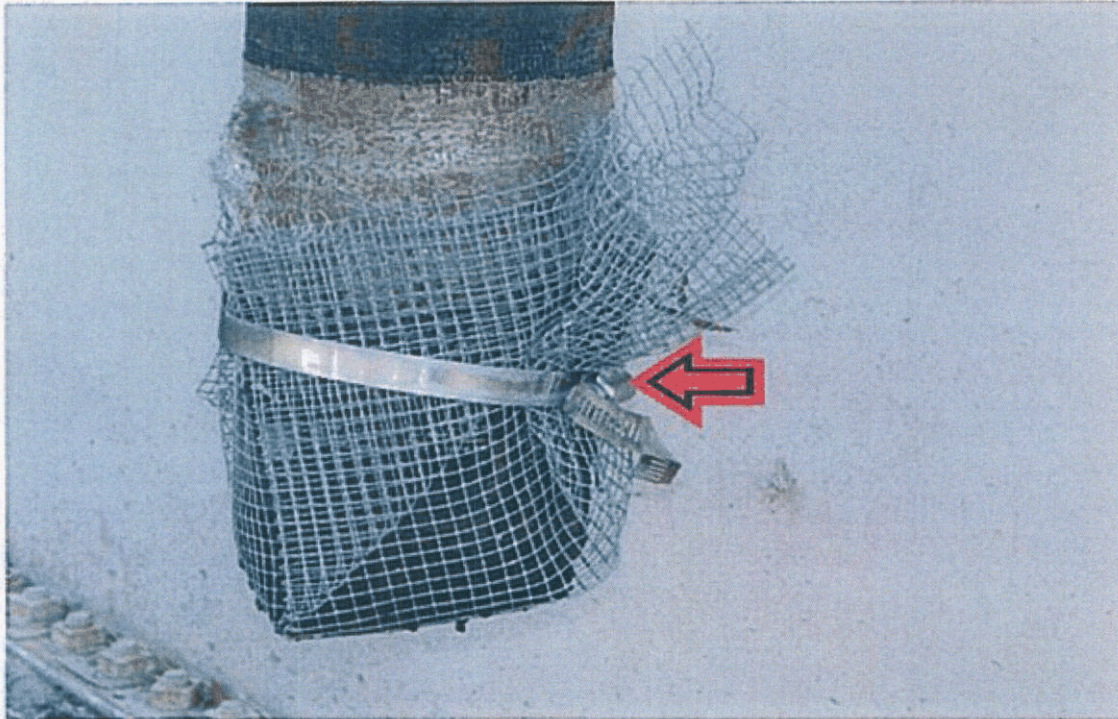


Photo shows the overflow pipe. The overflow pipe is not equipped with a flapper valve. We recommend installing an elbow to direct water away from the tank, a flapper valve and new screen on the existing overflow pipe and a splash pad to direct water away from the tank foundation.

**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**

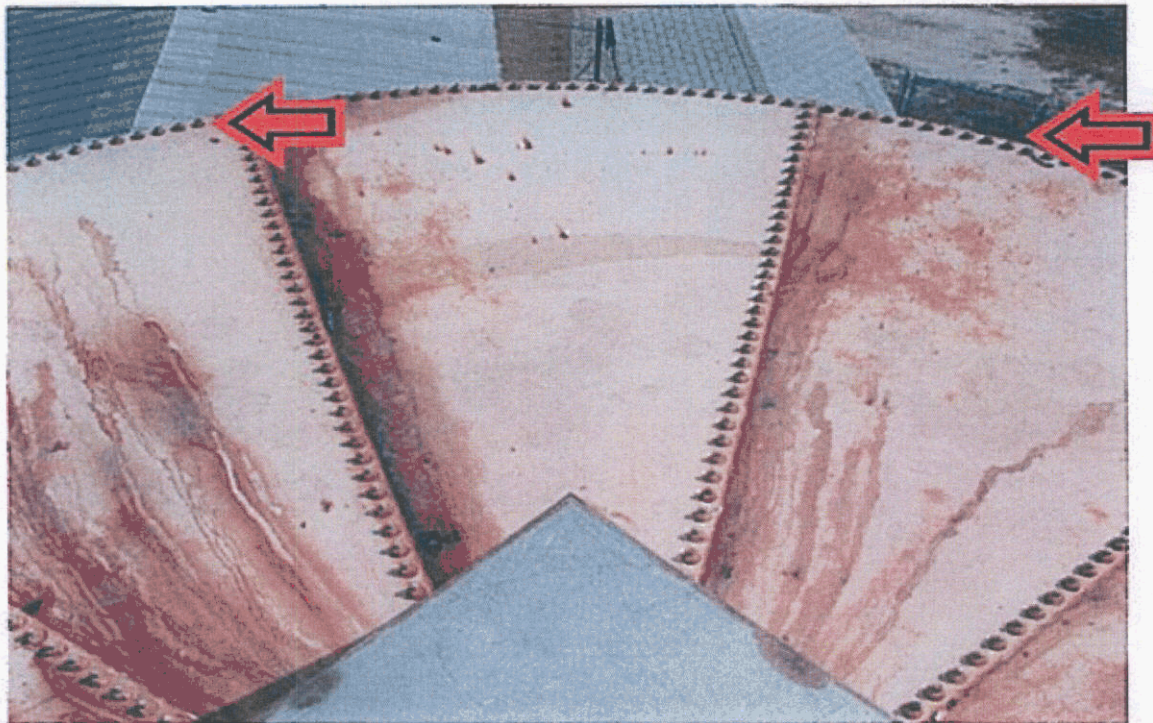


Photo shows the tank roof is not equipped with an OSHA required fall protection system. We recommend installing an approved 42" high handrail system around the circumference of the tank roof, complete with toeboard, intermediate rail and a stainless steel gate chain at the junction of the shell-to-roof access ladder and tank roof as required by OSHA (see glossary).



**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**

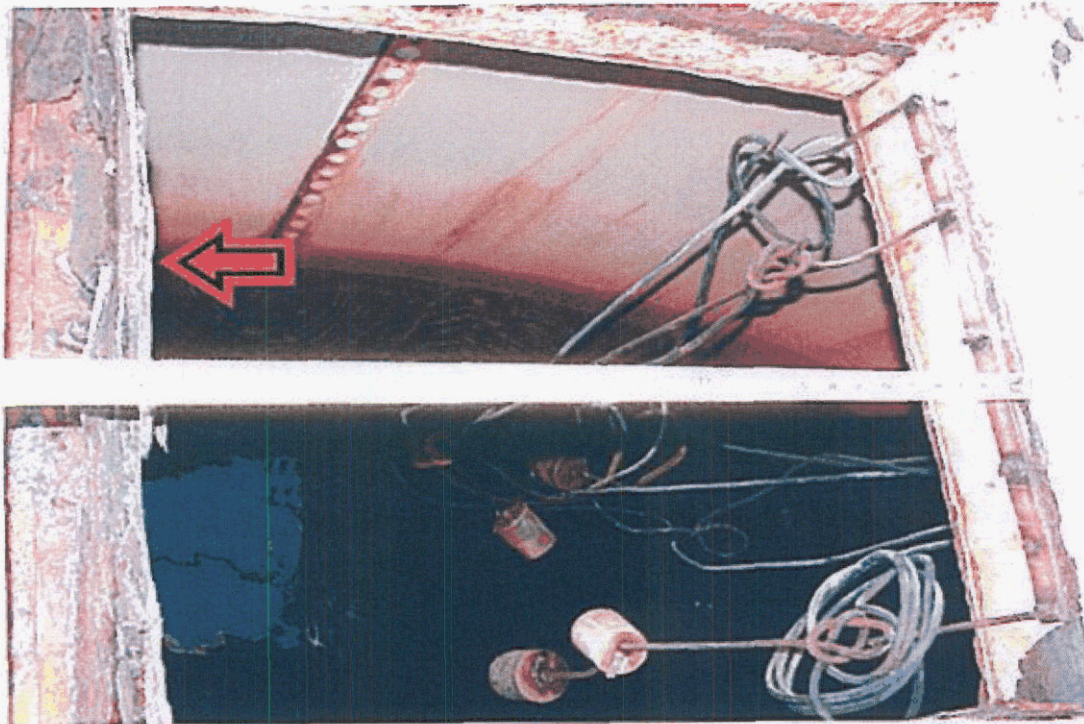


Photo shows the condition of the roof manway. Notice the manway curb is severely deteriorated. Roof openings on this tank require the following to be in compliance with OSHA, AWWA and TSS Section 7.0.8: Access, (see glossary pg. 23):

We recommend:

Replace existing manway with 36" manway

We further recommend:

Install exterior platform for rescue tripod, complete with tripod and winch

Note: For safety reasons we have recommended a 36" manway instead of the required 24" manway.



**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**

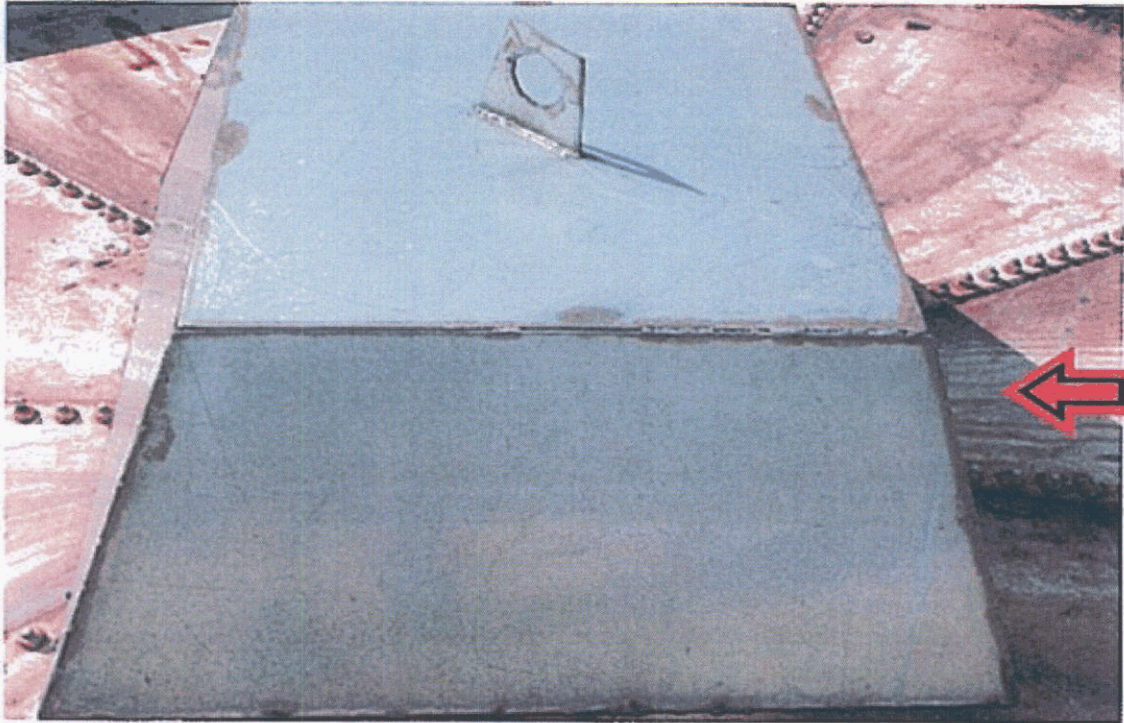


Photo shows the condition of the existing roof vent. **An improperly vented tank may cause external pressure to act on the tank which can cause buckling even at low pressure differential.** We recommend replacing the existing roof vent with a vacuum-pressure, frost proof vent and screen in compliance with AWWA and TSS, (see glossary).



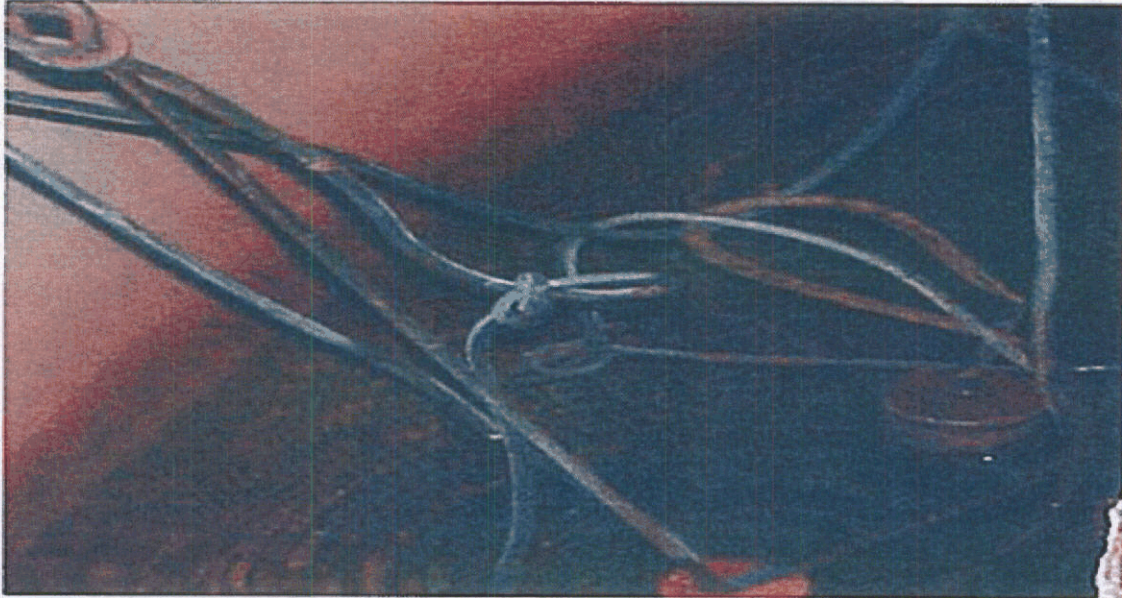
**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**



Photos show the condition of the exterior paint system. We recommend sand-blasting the tank exterior to an SSPC #6 (commercial) blast, apply one (1) full coat of primer, then applying one (1) finish coat of Alkyd.



**Utilities Inc. of Florida  
34,000 Gallon Standpipe  
(LEC) Job No. 22191-E**



Photos show the condition of the interior liner. We recommend sandblasting all rusted and abraded areas of the tank interior to an SSPC #10 (near white) blast, brushblast all remaining areas, stripe coating all seams and welds, then applying an epoxy liner to achieve 8-10 mils of dry film thickness.



**STANDPIPE INSPECTION REPORT**

JOB NO: (LEC) 22191-E      DATE: 4/19/04      INSPECTOR: Team 13  
TANK OWNER: Utilities Inc. of Florida      OWNER'S ORDER NO: \_\_\_\_\_  
OWNER'S REPRESENTATIVE: Mike Dunn      TITLE: Primary Contact  
MAILING ADDRESS: 200 Weathersfield Ave.      PHYSICAL ADDRESS: 200 Weathersfield Ave.  
CITY, STATE: Altamonte Springs, FL      ZIP: 32714  
COUNTY TANK IS LOCATED IN: Unknown      SEISMIC ZONE OF COUNTY: 0  
TELEPHONE: (407) 869-1919      FAX: (407) 869-6961  
LOCATION OF TANK: LABRADOR RESERVOIR

**Utilities Inc. of Florida  
200 Weathersfield Ave.  
Altamonte Springs, FL 32714  
April 20, 2004  
Mike Dunn,  
Primary Contact  
(407) 869-1919**

ORIGINAL CONTRACT NO: unknown      YEAR BUILT: 1970  
ORIGINAL MANUFACTURER: unknown      CAPACITY: 34,000 Gallon  
DATE OF LAST INSPECTION: unknown      TYPE: Potable  
DIAMETER: 15'      HEIGHT: 28'  
TYPE CONSTRUCTION: WELDED: \_\_\_\_\_ RIVETED: \_\_\_\_\_ BOLTED: X  
WHO IS CUSTOMER'S INSURANCE CARRIER: unknown

693/5.5

**CODE UPDATES**

<u>ITEM</u>	<u>REQUIRES UPDATE</u>	<u>NOT APPLICABLE</u>
Lightning Protection	<u>          X          </u>	<u>                          </u>
Shell Manway(s)	<u>          X          </u>	<u>                          </u>
Manway Davit(s)	<u>                          </u>	<u>                  X          </u>
Confined Space Entry Signs	<u>          X          </u>	<u>                          </u>
Shell to Roof Access Ladders	<u>                          </u>	<u>                  X          </u>
Safety Climb Devices	<u>                          </u>	<u>                  X          </u>
Standoffs on 10' Centers	<u>                          </u>	<u>                  X          </u>
Handrails	<u>          X          </u>	<u>                          </u>
Safety Chain in Handrail Opening	<u>                          </u>	<u>                  X          </u>
Flapper Valve & Screen on O'flow	<u>          X          </u>	<u>                          </u>
Vacuum-Pressure Frost Proof Vent	<u>          X          </u>	<u>                          </u>
Roof Manway	<u>          X          </u>	<u>                          </u>
Second Roof Manway	<u>                          </u>	<u>                  X          </u>
Interior Shell Ladder	<u>                          </u>	<u>                  X          </u>
Heater Pipe	<u>                          </u>	<u>                  N/A          </u>
Water Level Indicator	<u>                          </u>	<u>                  X          </u>
Thermometer	<u>                          </u>	<u>                  X          </u>



**RECOMMENDATIONS**

**NUMBERS REFER TO REPORT PAGES**

**00. INDICATES THERE WAS NO PHOTOGRAPH AVAILABLE TO DEMONSTRATE**

- 00. Post a "Warning, Tampering With This Facility is a Federal Offense"  
(us code title 42, section 300i-1) Sign .....
- 00. Water in upper level of tank may lose proper chlorination due to  
extended periods of poor circulation or low water usage. We recom-  
mend installing (2) frost proof sampling taps approximately 3' above  
the base of the tank, complete with standoffs every 10' on centers,  
extending into the container, one ending 5' above the low water  
level of the container and the second pipe ending to 2' below high  
water level. The sampling system will be in compliance with AWWA.....
- 00. Water in the tank may lose proper chlorination due to extended per-  
iods of poor circulation or low water usage. We recommend  
extending the fill pipe to 48" below the high water level for better  
circulation of the water. The fill pipe will also be equipped with a  
drain back hole to prevent water from standing in the pipe. The  
fill pipe system should be positioned a minimum of 90 ° from the  
overflow pipe and will be in compliance with AWWA.....
- 00. If needed, stabilize the floor by cutting holes, as required, equal  
distances from the centerpoint and installing couplings. 4,000 psi  
flowable, quick-set grout will be pressure pumped under the floor  
to stabilize the floor. The couplings will then be plated over. Floor  
seams will be vacuum tested to determine any floor seams that  
need to be re-welded. ....
- 2. Install an electronic monitoring system on the roof hatch.....  
Monitoring of the electronic system.....

**RECOMMENDATIONS**

**NUMBERS REFER TO REPORT PAGES**

- 3. Repair any cracks and spalling in the concrete with a commercial non-shrinking grout, then caulking around the base of the tank to foundation connection to prevent water from entering under the tank and sealing the foundation with a concrete sealant..... \$1,450
  
- Electrically ground the tank for lightning protection as required by OSHA, (general duty clause) and NFPA..... \$1,275
  
- 4. Install 36" primary shell manway ..... \$3,850  
*Substitute a 30" manway for a 36" manway*
- 5. Install a cable type ladder safety climb device ..... \$1,850  
 Post a **Fall Protection Required** sign ..... \$25
  
- 6. Install an elbow, a flapper valve and new screen on the existing overflow pipe and splash pad to direct the water away from the tank's foundation..... \$1,150
  
- 7. Install an approved 42" high handrail system around the circumference of the tank roof, complete with toeboard, intermediate rail and a stainless steel gate chain at the junction of the shell-to-roof access ladder and tank roof as required by OSHA ..... \$2,345
  
- 8. Replace existing roof manway with 36" manway..... \$3,350  
 Install exterior platform for rescue tripod complete with tripod and winch .... \$5,000  
 Replace the existing roof vent with a vacuum-pressure, frost proof vent and screen in compliance with AWWA..... \$4,810
  
- 10. EXTERIOR PAINT SYSTEM: Sandblast all rusted and abraded areas of the tank exterior to an SSPC #6 (commercial) blast, brushblast all remaining areas, apply one (1) full coat of epoxy-mastic and one (1) finish coat of urethane ..... \$11,500

*epoxy bonded filler - add 2,000*



**RECOMMENDATIONS**

**NUMBERS REFER TO REPORT PAGES**

11. INTERIOR PAINT SYSTEM: Sandblast all rusted and abraded areas of the tank interior to SSPC #10 (near white), brushblast all remaining areas, stripe coat all seams and welds, then apply an epoxy liner to achieve 8-10 mils dry film thickness..... \$12,000

*Two to 3 weeks down time*

*Details*

The recommendations listed above can be incorporated into a 3-5 year program.

00. We recommend our Extended Warranty Program to ensure the tank is maintained on a yearly basis.....\$3,300 yearly  
.....\$275 monthly

\*Paying on a monthly basis will accrue no interest\*  
A sample maintenance agreement is enclosed in this packet

*making in 9 to 5 days 9,000 for interior paint system*

**BASED ON THE NUMBER OF ITEMS ACCEPTED, PRICES MAY VARY.**  
**If union labor or prevailing wage is required add 20%**  
**Copies of this inspection report are available for an additional cost per copy,**  
**call 1-800-438-2187**

The inspection report and comments reflect the general condition of the tank. However, we can not guarantee that additional deficiencies may not become apparent during the cleaning, repair or paint process of the tank. It is recommended that \$15,000 be set aside for latent defects.

The handling, removal and/or disposal of hazardous or contaminated materials such as asbestos, lead, chemical or any like substance that requires special handling is not included in the price submitted for work herein. Paint prices do not include lead abatement or containment.