

**Eric Fryson**

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**From:** Dana Rudolf [drudolf@sflaw.com]  
**Sent:** Wednesday, November 28, 2012 2:01 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Martin Friedman; mgallarda@pluriscompanies.com  
**Subject:** Docket No. 120152-WS; Pluris Wedgefield, Inc. 2012 General Rate Increase Application  
**Attachments:** McRoy, James (PSC) 01.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. 120152-WS  
Pluris Wedgefield, Inc. 2012 General Rate Increase Application
- c) Pluris Wedgefield, Inc.
- d) 10 pages
- e) Letter to James E. McRoy in preparation for his upcoming visit to the Pluris Wedgefield system.

FILE NUMBER DATE

07876 NOV 28 2012

November 28, 2012

VIA E-MAIL ONLY

James E. McRoy  
Public Service Commission  
2540 Shumark Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Docket No. 120152-WS- Application for Increase in Water and Wastewater Rates  
in Orange County by Pluris Wedgefield, Inc.  
Our File No.: 43085.15

Dear James:

In preparation for your upcoming visit to the Pluris Wedgefield system, and the customer meeting on December 5, 2012, I wanted to provide you with the enclosed background information regarding two line breaks/outages that we expect customers to address. As you can see from the enclosed letters to customers, Pluris Wedgefield has gone beyond regulatory requirements to explain the reasons for these events. If you have specific questions I am sure that Joe Kuhns can address them when you meet next week. I am copying the Clerk with an e-filing of this letter as you requested.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/mp  
Enclosure

cc: Ann Cole, Commission Clerk (w/enclosure) (via e-filing)  
Maurice Gallarda (w/enclosure) (via e-filing)

DOCUMENT NUMBER-DATE

07876 NOV 28 2012

Pluris has had two water outages in the 2-1/2 years it has owned Wedgefield. One occurred 6 weeks ago that resulted in several days of precautionary boil water notices with actual water interruption lasting not more than a few hours. Another break occurred the day before Thanksgiving when water was out during the night and Pluris replaced the 50 year old section of pipe. Pluris had about 20 PSC complaints 6 weeks ago when the first line broke and as luck would have it the rate increase announcement arrived at their doorsteps the same day of the first water outage. To complicate the matter the state certified lab (a well-respected lab) announced during the required testing period that all of its test results statewide were bad due to an internal cross contamination issue in the lab. This extended the boil water notice two days. That water outage was a bit trying with customers who also said they did not receive a boil water notice. DEP is satisfied that Pluris handled the line breaks and customer noticing appropriately (e-mail from Nathan Hess attached).

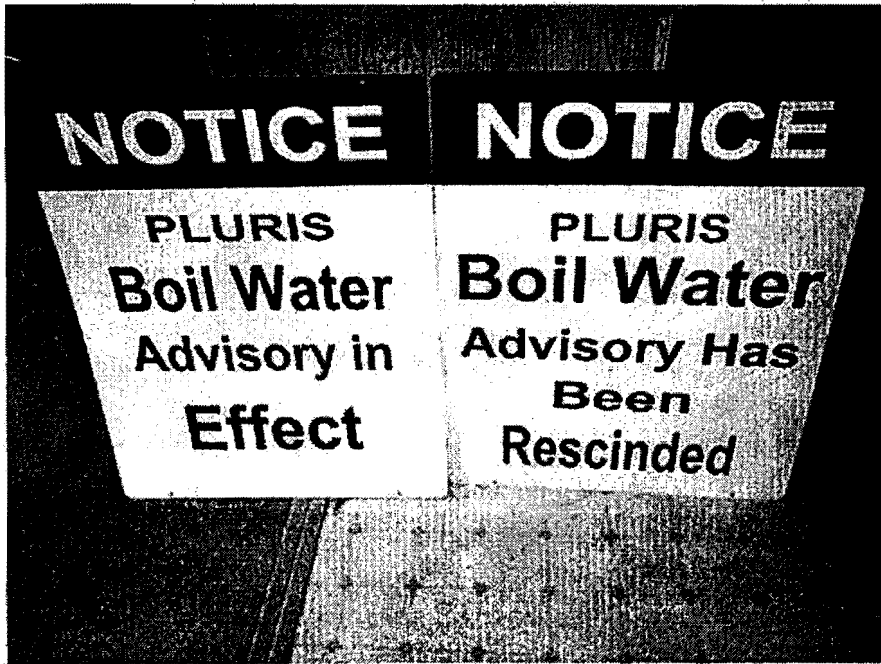
One of the things that worked well in the last outage was the voice broadcasting system. Here are the stats of the 5 updates through the outage and precautionary boil water notice period regarding calls.

<b>Date and Time (EST)</b>	<b>Live Answer</b>	<b>Answering Machines</b>	<b>Busy</b>	<b>No Answer</b>	<b>Carrier Error</b>	<b>All Circuits Busy</b>	<b>Totals</b>	<b>Percentage of Total Active Accounts</b>
<b>11.20.12 12:07 PM</b>	42% 529	52% 650	<1% 2	5% 68	1% 13		1,262	81%
<b>11.20.12 4:40 PM</b>	40% 529	44% 651	<1% 1	15% 228	1% 13	<1% 4	1,426	92%
<b>11.20.12 9:37 PM</b>	38% 570	44% 658	<1% 3	17% 245	1% 8		1,484	96%
<b>11.21.12 12:39 PM</b>	39% 583	48% 684	<1% 2	14% 216	1% 14		1,499	97%
<b>11.23.12 11:11 AM</b>	39% 590	45% 672	<1% 3	15% 218	1% 13	<1% 1	1,497	96%

Door tags were again hung at the outset and the DEP did not require door tags on all the doors for the rescission notice when they saw the early voice broadcasting stats. Pluris only had to hang 260 on the customers who had not sent us back their return postage envelopes to Pluris we sent out 6 weeks ago asking for correct telephone numbers.

Customers are not happy with the rate case mostly due to the water outages and Pluris responded to all complaints (there were only 11 filed after last week's outage). We advised them that the pipes in the area of the break are 50 year old asphaltic concrete ("ac") pipe with a 20 to 25 year design life. I have attached a letter and an additional letter sent to all customers. The first one explained the first outage and the second one went out the day before the second break.

In addition Pluris constructed formal sign boards at all three entrances to the development and had formal metal signs for notices as people enter and leave the development. Here is a picture of the signs.



**From:** Hess, Nathan [<mailto:Nathan.Hess@dep.state.fl.us>]  
**Sent:** Wednesday, November 21, 2012 8:50 AM  
**To:** Joe Kuhns  
**Cc:** Maurice Gallarda  
**Subject:** RE: Pluris Wedgefield - Water Outage

I can confirm all of your statements.

This has been handled very well. Thank you.

-Nathan

*Please take a few minutes to share your comments on the service you received from the department by clicking on this link [DEP Customer Survey](#).*

**From:** Joe Kuhns [<mailto:jkuhns@plurisusa.com>]  
**Sent:** Wednesday, November 21, 2012 9:44 AM  
**To:** Hess, Nathan  
**Cc:** Maurice Gallarda  
**Subject:** Pluris Wedgefield - Water Outage

Good Morning Nathan,

Thank you for speaking with me this morning. As we discussed, I wanted to highlight our talking points this morning concerning the water outage on November 20th through the early morning of the 21st.

You have confirmed the following in our discussion:

Pluris has properly notified our customers via robo-call, door tags and signs at the three main entrances concerning the precautionary boil water notice.

Pluris has properly notified the FDEP, via malfunction reports to include a revised malfunction report to indicate the UPC back up battery failure at the Water Treatment Plant, concerning the water outages.

Pluris may utilize the robo-call and signs at the three main entrances to notify our customers of the precautionary boil water notice rescission. Also, that door tags will be hung at the residences that the robo-call report indicates where unreachable.

Finally, that Pluris has complied with the FDEP's rules and regulations in relation to the proper reporting and notifications required for this event.

Nathan, thank you for your assistance. It is comforting knowing that we are able to rely on the Departments cooperation and assistance.

# PLURIS

Pluris Holdings, LLC.  
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Regional Manager  
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Tampa, Florida 33610  
Office: 888-758-7471 Ext. 101  
Office: 813-359-8326  
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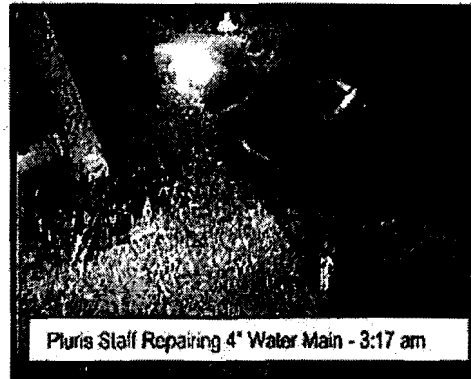
Dear Wedgefield Customer,

In view of the water outage experienced in Wedgefield beginning on Saturday September 20<sup>th</sup>, Pluris believes it is important to share with its customers what occurred and what Pluris Wedgefield, Inc. operations' staff did during the timeframe of the outage. We apologize for the inconvenience the outage created and as a result of the outage we will be adding a few things to help us continue to provide good service to you.

In case you do not know Pluris acquired the utility in 2010 and since that time have not had a water main break affecting the entire system as experienced here. The system dates back to the 1960s and repair work is expected, however the time of a break cannot be known until it happens. In this instance, there were three water main pipeline breaks of which two occurred at the same time. The timeline of events generated by the operators on the initial break is summarized in the following:

**September 20 at 1:50 pm – 4" on Majestic Street and 8" on Melville Street break at the same time**

- 8" line isolated and repaired by 11:00 pm.
- 4" line, valves fail and unable to isolate. Shut entire system down for repair September 21<sup>st</sup> at 12:45 am. A picture showing the work conducted on the 4" line is shown here. Repair completed and system pressurized at 7:30 am. Precautionary boil water notices hung on front doors on Melville Street area first. Began at 8:00 am then continued for entire system ending at 11:00 pm.
- Florida Department of Environmental Protection ("FDEP") notified of breaks on September 21<sup>st</sup> at 10:45 pm by submitting a malfunction report via email. Also, left message on FDEP voicemail at same time.

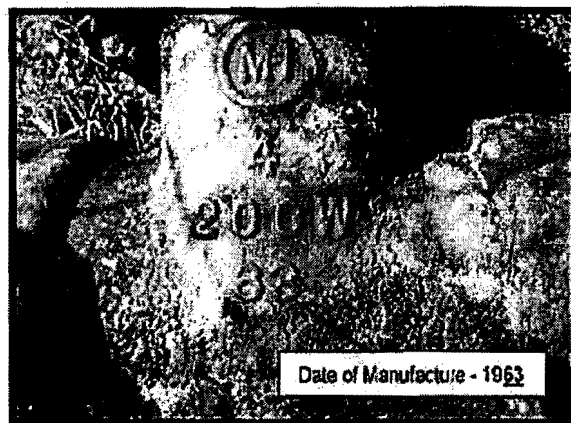


The system has isolation valves which may be used to try and minimize the number of affected customers. Valves can allow sections of the system to be closed down preventing other sections from being involved in the shutdown of water.

In this very instance, the valves failed causing outage to all customers and the subsequent precautionary boil water notice to be issued.

One of the valves was brought to the meeting between Mr. Joe Kuhns, Regional Manager for Pluris and the Wedgefield HOA Board to show the damaged valve as well as the manufactured date of 1963.

A picture of the valve is shown here for your convenience. This valve was replaced as part of the repairs to the water main so that in the future should there be a break in this area, the system can be isolated. The replacement cost of the single valve was a little over \$5,000.



A subsequent water main pipeline break occurred within the same general area of the initial break. The timeline of events generated by the operators is summarized on the following page.

**September 23 at 10:30 am – 4" main line break on Majestic Street**

- Unable to isolate due to valve failure.
- Shut entire system down for repair September 23<sup>rd</sup> at 2:00 pm.
- Repair complete at 6:00 pm and system pressurized at that time.
- We were still under precautionary boil water notice from first set of breaks so additional door tags were not required.
- FDEP notified on September 24<sup>th</sup> at 11:00 am by submitting a malfunction report via email. Also, spoke to FDEP by phone to confirm.

It doesn't happen frequently but subsequent breaks can occur in older systems after an initial repair is made, as water pressure is brought back up in the system. That is what is believed to have happened here.

Unrelated to the water main pipeline breaks an additional event occurred during the precautionary boil water notice period. Pluris operators noticed an elevated temperature within the transformer at the main water plant and notified the electric power company. The power company arrived onsite and over initial concern that there was a problem on their end shutdown the transformer. The timeline of events generated by the operators is summarized in the following:

**September 26 at 12:40 pm – Main electrical feed failure from transformer to main breaker at Water Plant**

- System went to generator power at 12:50 pm. Generator failed at 3:00 pm.
- Entire system pressure loss and water outage.
- Diagnosed generator problem and repaired fuel pump solenoid at 5:00 pm.
- System pressurized at 5:20 pm.
- FDEP notified on September 26 at 6:40 pm by submitting a malfunction report via email. Also, spoke to FDEP on September 26 at 3:20 pm.
- Precautionary boil water notices completed on September 27 at 1:00pm. (Temporary signs installed at all entrances advising of notices).

It's important to note that the emergency generator started as designed and operated the water facility. In accordance with DEP requirements, the generator is operated 1 hour per week for a total of 4 hours each and every month throughout the year to insure reliability when needed. In the 2 years Pluris has owned the system the generator has always operated as designed in the testing period, but failed in this instance. The issue with the generator was found to be a fuel solenoid switch and was repaired, at which time the generator started as designed and boosted pressure throughout the system.

The actual electrical problem related to the transformer was traced back to the underground power feed line between the transformer and the water plant building housing the computers and electrical equipment. Pluris explored the underground conduit and found that the line had been shorting for an unknown period of time since being installed back in 2006. Apparently the line was improperly pulled through the underground conduit. A picture of the power feed line is shown here. Note the frayed and bare wire section of the line. This section was making contact with the metal underground conduit.

Pluris replaced the faulty conduit and properly installed a new power feed line.



Frayed and Bare Wire Section of Power Feed Line



Pluris operators had completed handing out approximately 1/3 of the precautionary boil water notice rescission door tags from September 23<sup>rd</sup> water main pipeline break event when the power failure event occurred. This created some confusion in regards to the rescission period but the power failure issue was not related to water quality as no break had occurred within the system. Rescission notices were completed by 2:30 pm on September 28<sup>th</sup>.

#### **Precautionary Boil Water Notice Process**

One of the concerns expressed by customers was the noticing process by Pluris as it relates to the precautionary boil water notice. The FDEP regulates all utilities within Florida in regards to water quality, testing and even precautionary boil water notices. The FDEP requires door hangers to notify all customers when a precautionary boil water notice is in effect. Utilities have 24 hours to notify customers of the notice. Pluris hung the precautionary boil water notices on the front doors of customers. There have been a number of customers who said they did not receive a precautionary boil water notice door tag. Pluris operators, who have been employees in Wedgefield for years represented that they faithfully hung the door tags. Pluris believes its operators hung the notices and acknowledges there is disagreement on this point.

#### **Repairs, Investment and Rate Case**

Pluris has not, in any of its utilities experienced the number of issues that occurred in the water outage at Wedgefield in such a compact time frame. Pluris did respond in a timely manner and made the necessary repairs. Not only in this instance but since taking ownership in 2010, Pluris has invested in the water and wastewater facilities at Wedgefield. The MIEX water treatment system constructed back in the 2006 timeframe was not operating within design parameters when Pluris assumed ownership. Pluris brought in the manufacturer ORICA and with engineers, properly configured the equipment related to the MIEX resin treatment. This brought the water treatment plant into compliance with TTHMs and HAA5s requirements. These constituents are related to disinfectant bi-products such as Chlorine, used in water disinfection at Wedgefield. In addition Pluris designed a replacement to the aging water pressure tank which regulated pressure in the system. New variable frequency drives ("VFDs") were installed to keep a more consistent pressure within the system. New delivery pipeline was necessary for the water softener system due to aging. Additional plans are underway with ORICA in improvements to the water treatment plant. The water produced at Wedgefield meets the stringent standards of the FDEP. Annual reports known as Consumer Confidence Reports are required to be sent to customers by the FDEP. You receive this report on the water quality testing annually and for convenience the most recent results for the year ending 2011 is included with this correspondence.

Improvements to the wastewater treatment plant included sludge handling equipment to reduce the amount of sludge hauled to landfills.

System wide maintenance including replacement of water distribution pipelines and wastewater collection pipelines has been ongoing, even though none of the replacements have caused a water outage such as the one addressed in this letter. This is due to having been able to isolate sections with valves that have not aged to a point that damage has occurred.

Pluris has the resources to invest in replacing the entire water distribution pipeline but believes it is prudent, on behalf of customers to repair and replace as needed in order to not raise rates more than necessary. Pluris's rates are regulated by the Florida Public Service Commission ("PSC"). The rate case that Pluris has made application for is the first rate case filed by Pluris. The last rate case was filed 5 years ago in 2007 for investment made in the MIEX water treatment plant by the prior owner. The last rate case filed for the wastewater treatment plant was 17 years ago in 1995. There has been investment by Pluris over the last two years and a rate case application has been filed in accordance with the requirements of the PSC. Rate cases are periodically applied for to the PSC to allow a utility to receive a reasonable return on its investment, as determined by the PSC. The PSC authorizes interim rates and through a process of approximately 7 to 8 months approves final rates.

**Going Forward regarding Notifications in Water and Wastewater Events - Additional Communication**

Pluris management has met with both the FDEP and Wedgefield HOA Board members. In these meetings Pluris proposed a solution to better serve customers when an event such as a precautionary boil water notice is necessary. Pluris has selected CallFire Partners ("CallFire") to provide voice broadcasting services during events such as pipe breaks requiring a precautionary boil water notice. CallFire is one of the nation's largest voice and SMS connectivity companies providing services to over 50,000 businesses.

Voice broadcasting alerts will include the necessary information to Pluris customers through updated voice messages automatically sent to customer telephone numbers on record with the utility. Voice messages will include the announcement of a precautionary boil water notice, any updates and the notice of rescission.

In the event of a water pipeline break, requiring a precautionary boil water notice, during the hours between 11:00 PM and 6:00 AM, Pluris will send the voice broadcasts before 11:00 pm and after 6:00 am in order to not disturb customers. These hours were approved by HOA Board members. A postcard sized insert along with a self-addressed envelope and return postage is included with this correspondence. Please enter on the insert up to two telephone number(s) you would like to have on record for the voice broadcasted messages. Place the postcard in the envelope provided and drop it in the mail. The voice broadcasting will only be effective if Pluris has received valid telephone numbers on record and Pluris encourages you to submit the telephone numbers in order to be informed by the voice broadcast system.

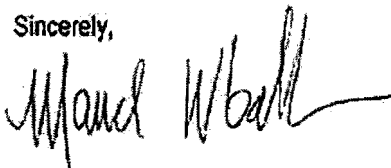
The voice broadcasting will be in addition to door hangers and frontage signs to be displayed at entrances to the development.

Other items completed already or will be implemented going forward include;

- Two additional valves in the immediate area of the water main breaks have been identified and will be replaced using a specialized process to isolate the area while replacing the two valves. A letter will be sent advising customers of work schedule.
- A number of customers reported that the after-hours third party call center staff was rude. Pluris has terminated and replaced the company with a firm used by Pluris in other areas.
- Better signage has been obtained for entrances during any notice period. The door tags will continue to be the FDEP methodology of notification and the Voice broadcasting and signage will be in addition to that required.
- State certified laboratory has been terminated and a new one retained for all testing.

Again, we apologize for the inconvenience created by the outage and hope this correspondence provides a narrative of how Pluris responded and what improvements have been made to better serve you.

Sincerely,



Maurice W. Gallarda, PE  
Principal Engineer  
Managing Member

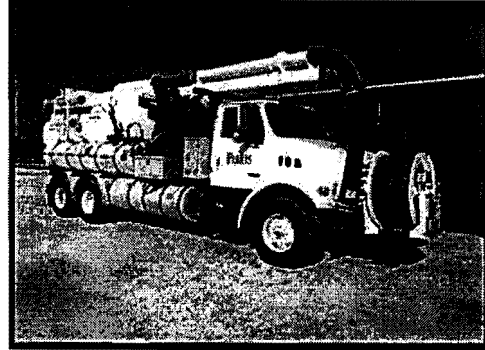
Dear Wedgefield Customer;

Pluris would like to update you in regards to activities you may observe in the development over the next few weeks.

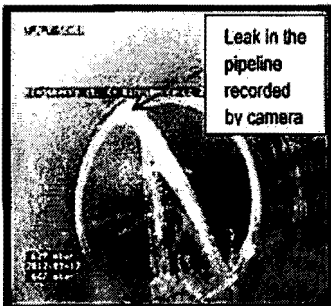
### Pipeline Inspections

Pluris will be conducting annual line work of sections of the system in the first week of December. The work is routine and comprises the use of a specialized vehicle, called a Vector Truck. A picture of Pluris's Vector Truck that will be in the neighborhood is shown here.

The Vector Truck is used to pre-clean sewer pipeline sections between manholes which are spaced approximately 300 feet apart. Following the pre-cleaning, a video camera is lowered into one of the manholes and placed in the pipeline. The video camera is small enough to work its way along the entire section of the pipeline and record the interior lining to inspect the integrity of the pipe.

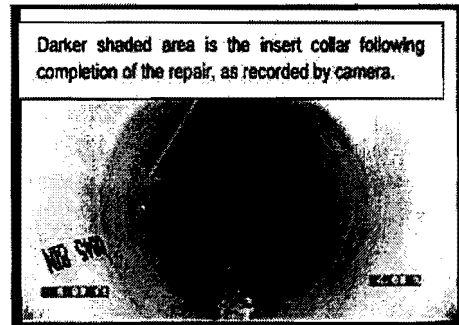


A recent photograph clip from a video taken inside a sewer pipeline from another Pluris utility is presented below. Note the infiltration of groundwater entering the sewer line from the outside.



The repair of the area is done by a process whereby the midpoint of a specialized collar material is stationed over the crack. An expansion tool is then placed inside the collar and expanded out to the interior of the collection pipe. The insert includes a compound that reacts when heated and this process seals the insert collar to the interior of the pipe. As seen in the post repair actual photograph below, the pipe has been repaired and infiltration of groundwater has been removed. The repair is structurally as strong as the original pipe.

If you wish to observe the work, Pluris welcomes any customer to contact Mr. Joe Kuhns, Regional Manager with Pluris to schedule a site visit. Please contact Joe by email at [jkuhns@plurisusa.com](mailto:jkuhns@plurisusa.com) or by telephone at (813) 359-8326.



### Pluris Notice Sign Boards

Pluris will be installing permanent sign boards at each of the three entrances to Wedgefield. During events requiring notification by Pluris, signs will be mounted on these boards to inform customers. Signs will be mounted on both sides of the boards and clearly visible when exiting and entering Wedgefield.

### Voice Broadcasting System

Pluris is implementing the voice broadcasting system which will be used during events such as precautionary boil water notices to keep customers updated. The system is in addition to door hangers required by the Florida Department of Environmental Protection. Pluris needs your help. We sent out self-addressed envelopes with return postage for customers to provide telephone numbers for the system to dial. To date Pluris has received less than a third of the customer responses. Please mail the information back or call Pluris at 888.758.7471 and provide the information to customer care representatives. This information is important and necessary for the system to be successful.