

Shawna Senko

From: Marsha Rule <marsha@rutledge-ecenia.com>
Sent: Tuesday, October 01, 2013 9:45 AM
To: Filings@psc.state.fl.us
Subject: Docket No. 130010-WS
Attachments: 2013.10.01. Ni Fla.pdf

Docket No. 130010-WS: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC

Person responsible for filing:
Marsha E. Rule, contact information below.

Filed on behalf of Ni Florida, LLC

8 pages; cover letter with correspondence from Ni Florida to Pasco County officials

Marsha E. Rule, Attorney
Rutledge Ecenia
119 South Monroe St. Suite 202
Tallahassee, FL 32301
850.681.6788

PLEASE NOTE NEW EMAIL ADDRESS:
marsha@rutledge-ecenia.com

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RUTLEDGE ECENIA

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

MICHAEL J. BARRY
STEPHEN A. ECENIA
RICHARD M. ELLIS
DIANA M. FERGUSON
MARTIN P. McDONNELL
J. STEPHEN MENTON
CRAIG D. MILLER
R. DAVID PRESCOTT

POST OFFICE BOX 551, 32302-0551
119 SOUTH MONROE STREET, SUITE 202
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788
TELECOPIER (850) 681-6515
www.rutledge-ecenia.com

MARSHA E. RULE
GARY R. RUTLEDGE
MAGGIE M. SCHULTZ
GABRIEL F.V. WARREN
GOVERNMENTAL CONSULTANT
JONATHAN M. COSTELLO
OF COUNSEL
HAROLD F. X. PURNELL

October 1, 2013

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

Re: Docket No. 130010 WS - Application for increase in water rates in Lee County
and wastewater rates in Pasco County by Ni Florida, LLC

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is a copy of correspondence from Ni Florida, LLC to Pasco County officials explaining work performed by Ni Florida to reduce chloride levels in wastewater flow sent to the County.

Should you or members of the Staff have any questions regarding this filing, please do not hesitate to give me a call.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance.

Sincerely,



 Martin P. McDonnell

MPM/vp
Enclosures
cc:

Suzanne Brownless
Stanley Rieger
Melissa L'Amoreaux
Joseph D. Richards



September 25, 2013

Mr. Bruce E. Kennedy, P.E.
Assistant County Administrator
Utilities Services Branch
Public Works/Utilities Building
7536 State Street, Suite 213
New Port Richey, Florida 34654-5598

**RE: Coastal Infiltration Investigation - Ni Florida Wastewater Collection System,
CU06-015.00**

Dear Mr. Kennedy,

I apologize for the delay in responding to your letter of June 25th. When I contacted your Executive Assistant in June, as you requested in your letter of June 25th, I was advised that we would need to have legal counsel present at any meeting held to discuss the Hudson improvements. This would certainly be problematic for my office. Because I do not have local counsel, travel and other costs relating to representation would be cost prohibitive. As I discussed with Joe Richards (email attached), we have been busy this summer in the quest to bring chlorides down below an average level of 250 ppm for all wastewater flow sent to the County. As we discussed earlier in the summer, we have made improvements to the system most notably we repaired three major leaks at the two condominium complexes, of the Gulf Island Beach & Tennis Club. We believe those repairs have significantly reduced the I&I issues currently being faced at the Delmar lift station. For example, as of August 1, 2013 we took wastewater samples from our Delmar lift station the results of which showed chlorides in the low 300's ppm. We are in the process of a total rehab at the Del Mar lift station as well as making repairs to several other adjacent locations. Most significantly, we are pleased to report to you that we are replacing approximately 1,800 feet of force main on Del Mar Drive. We believe that the result of all the work performed during the summer should bring the average chloride levels for all wastewater flow sent to the County below 250 ppm.

Generally speaking, our recent improvements include, but are not limited to:

1. Additional video inspection and identification of compromised areas.
2. Substantial cleaning of identified areas.
3. Installation of double liners to correct substantial breaks.
4. Installation of inflow protectors.
5. Concrete repair of manholes with high infiltration.
6. Monitoring of lift station run times to determine effects of repairs.
7. Replacement of collapsed force main pipe located on Del Mar Drive.

10913 Metronome Drive • Houston, Texas 77043
(713) 574-5952 • Fax: (713) 647-0277

Capital improvement costs from October 1, 2012 through 9/18/2013 are as follows:

Del Mar Lift Station Refurbishment	
Spent October 1, 2012 thru March 31, 2013	13,566.00
Spent from April 1 - August 8, 2013	28,024.00
Spent from August 27 - September 18, 2013	23,436.00
TOTAL	<u>65,026.00</u>
Installation of Mission Units	
Spent October 1, 2012 thru March 31, 2013	70,760.00
Spent from April 1 - August 8, 2013	23,663.00
TOTAL	<u>94,423.00</u>
US Hwy 19 Project	
Spent October 1, 2012 thru March 31, 2013	24,018.00
Spent from April 1 - August 8, 2013	107,180.00
Spent from April 9 - August 26, 2013	1,494.00
Spent from August 27 - September 18, 2013	127,424.00
TOTAL	<u>260,116.00</u>
Pumping Equipment (for inventory)	
Spent October 1, 2012 thru March 31, 2013	
Spent from April 1 - August 8, 2013	3,710.00
TOTAL	<u>3,710.00</u>
Line Cleaning	
Spent October 1, 2012 thru March 31, 2013	
Spent from April 1 - August 8, 2013	18,584.00
Spent from April 9 - August 26, 2013	8,016.00
TOTAL	<u>26,600.00</u>
Video Camera Inspection	
Spent October 1, 2012 thru March 31, 2013	
Spent from April 1 - August 8, 2013	12,680.00
Spent from April 9 - August 26, 2013	8,016.00
TOTAL	<u>20,696.00</u>
Engineering	
Spent October 1, 2012 thru March 31, 2013	
Spent from April 1 - August 8, 2013	13,191.00
TOTAL	<u>13,191.00</u>

Installation of Liners

Spent October 1, 2012 thru March 31, 2013	
Spent from April 1 - August 8, 2013	10,760.00
TOTAL	10,760.00

Backflow Prevention Devices

Spent October 1, 2012 thru March 31, 2013	
Spent from April 1 - August 8, 2013	2,787.00
TOTAL	2,787.00

Inflow & Infiltration Reduction

Spent October 1, 2012 thru March 31, 2013	3,627.00
Spent from April 1 - August 8, 2013	-
TOTAL	3,627.00

Other Capital Expenditures

Spent October 1, 2012 thru March 31, 2013	8,057.00
Spent from April 1 - August 8, 2013	-
TOTAL	8,057.00

Del Mar Drive Force Main Replacement

Spent from April 9 - August 26, 2013	40,301.00
Spent from August 27 - September 18, 2013	18,767.00
TOTAL (See attached quote for total)	59,068.00

Elder Valve Installations

Spent October 1, 2012 thru March 31, 2013	24,814.00
Spent from April 1 - August 8, 2013	6,188.00
Spent from April 9 - August 26, 2013	2,049.00
Spent from August 27 - September 18, 2013	3,706.00
TOTAL	36,757.00

TOTAL CAPEX

Spent October 1, 2012 thru March 31, 2013	144,842.00
Spent from April 1 - August 8, 2013	226,767.00
Spent from April 9 - August 26, 2013	59,877.00
Spent from August 27 - September 18, 2013	173,333.00
TOTAL CAPITAL EXPENDITURES	604,818.00

NOTE: This update provides capital expenditures through September 18, 2013. The completion dates for all projects are prior to September 30, 2013. Certain projects such as elder valve installations, line cleaning, video camera inspection, and I&I reduction are continuous in nature. The costs for the Hwy 19 Relocation, Del Mar Lift Station Rehab, and Del Mar Drive Force Main Replacement are also on-going.

As you may be aware, there may be some inconsistencies between some of the samples taken by our operations group and by the County. I am advised that it may be helpful to eliminate inconsistencies by both parties using our composite samplers. I am completely agreeable to this and believe that could be coordinated with our respective field personnel. Our CHL test results over the past five years are as follows:

	Hudson Chlorides				
	2013 (As of 8/1)	2012	2011	2010	2009
Sunnydale	103	109	113	124	165
Show Palace	93	104	113	197	358
Flounder	83	172	169	181	226
Delmar	310	668	466	505	720

Of course, only continued sampling will determine the true results of our substantive efforts to reduce I&I. However, we remain fixed in our objective and I assure you that Ni Florida and Pasco County are in complete agreement that our ultimate goal is to bring our Hudson Wastewater System discharge into complete compliance. I continue to strive for better communication in discussing operational and compliance issues with our combined operational staffs.

Respectfully,



Ed Wallace
President and Chief Executive Officer

Attachment

cc: Commissioner Jack Mariano, Pasco County Florida
Joseph Richards, Senior Assistant County Attorney
Gregory Dziegielewski, Acting Operations and Maintenance Director

From: Ed Wallace
Sent: Wednesday, September 18, 2013 11:17 AM
To: 'jrichards@pascocountyfl.net'
Cc: 'bkennedy@pascocountyfl.net'; 'mvtorino@pascocountyfl.net'
Subject: FW: Operational discussions and clearance by attorneys

Joe – Thank you for taking my phone call. Sorry if I sounded frustrated on the phone. As the email below suggests we really want to communicate and work with your operational and compliance people. We have had a good relationship with our respective field people in the past. But now I am being told from our people in the field that your field people cannot speak with us without legal representation. I appreciate your willingness to help because I am at a standstill. I do not have local Florida representation so it makes it difficult for me to have a lawyer present at every field or compliance meeting.

Thanks again for your willingness to help. It is my goal to strengthen our relationship with the County and become good corporate partners. I will be sending a detailed response to Bruce's September 4th, certified letter. We have been busy this month and believe that we have the problem under control. Recent chloride levels at Delmar are in the low 300's after we repaired the three leaks at the condo's. We are in the process of rehabbing the Delmar lift station and replacing 1,000 feet of force main down Delmar Street along with lining several other adjacent locations. We are hopeful that the result of that work will bring the chloride levels below 250 ppm.

Thanks again,

Ed Wallace
President
Ni America

From: Ed Wallace
Sent: Monday, June 17, 2013 7:18 PM
To: bkennedy@pascocountyfl.net; mvectorino@pascocountyfl.net
Subject: Operational discussions and clearance by attorneys

Bruce / Mariana – Thank you for your email dated June 14, 2013. As I have previously stated I am aware of your pending PSC intervention. I have been careful not to touch on any issue relating to that intervention other than those I formally addressed relating in my letter to you dated May 28, 2013 , which was sent in response to your January 31, 2013 letter.

As I said in that letter, I believe it is paramount that we continue to keep the lines of communication open where it relates to operational issues. Neither I, nor my regulatory lawyer, believe that us discussing such issues in anyway detracts from your rights or position as an intervener. The regulatory process, in it of itself, is not litigation per say, but rather a legal process to set rates for an investor owned utility. As you are a public body, I respect your right to intervention; but the two entities discussing operational issues should not impact your intervention and belief that Ni America is or is not entitled to rate relief. On the contrary, us regularly discussing such issues should provide you more input when it comes time to provide testimony or request interrogatories.

Specifically, I would like to discuss:

1. A method of providing you access to our new composite samplers (something County staff have requested);
2. The status of major repairs as they occur;
3. An update as to the chloride levels flowing to our master lift stations specifically Delmar; and
4. Any information you may have such as old blue prints as to the purpose of the three valves on Tower Drive and what impact, if any, it may have on flow into the Leisure Beach Subdivision.

As for the condos, we have completed two out of the three breaks we have identified on their property. As this point it is too late to attempt to contact either Condo Owners Association. In lieu of a lengthy process getting permission to repair and assigning blame as to the cause or ownership of the line / break, I made the decision to have Ni make those repairs immediately at will almost assuredly be at our shareholder expense. I did

so because I believe those line breaks were causing so much salt water intrusion that they were in need of immediate repair.

If you have any questions or would like to set up a conversation with me or my staff please for any operational reason, please contact me.

Sincerely yours,

Ed Wallace
President
Ni America
Of. 713-574-7755
SC of 713-544-8195
Cell 281-744-7510