



Pennbrooke Homeowners Association, Inc.

August 24, 2015

Utilities, Inc.  
ATT: Bryan Gongre, Regional Manager  
200 Weathersfield Avenue  
Altamonte Spring, FL 32714-4027

Re: Letter of Consensus

Dear Bryan Gongre:

The Board of Directors discussed your request for a letter of consensus from the Board (on behalf of the community) stating their willingness or unwillingness to proceed with any water treatment options based on the hydraulic engineering study of the water distribution system in Pennbrooke that was done in 2014. After a lengthy discussion the Board does not feel they can provide Utilities, Inc. with a letter of consensus until two outstanding issues are resolved. The issues are:

**1. Water Study Fee-** The Board voted to put the hydraulic engineering study on the ballot for the 2014 Annual Membership Meeting. Their decision was made based on costs estimates from Patrick Flynn during a meeting with several board members. A summary of that meeting is included with this correspondence. Patrick stated that the upgrades to the water distribution system would cost around \$140,000 and would result in a \$1 - \$2 per connection per month increase on the residents' water bill. In actuality, the study determined the upgrades would cost in excess of \$2 million and increase monthly water rates from \$32 - \$40 per connection. The Board relied on the expertise of Patrick Flynn. As Vice President of Operations his statements carry a large degree of credibility. Had the Board known the average water bill would increase a minimum of \$30 per connection per month, they would have put that on the ballot when asking the community to spend \$15,900 for the study. In all likelihood, the study would not have been approved. The Board mentioned this to you at the special meeting Utilities, Inc. representatives attended last October 28, 2014 but to date there has been no response on UI's part. The Board is formally requesting the Association be refunded the \$15,900 spent on the engineering study.

**2. Increased Flushing and Uni-directional Flushing –** One of the engineers that was involved with the water study and attended the October 28<sup>th</sup> meeting, stated increased flushing and uni-directional flushing may help the water quality as it removes biofilm and sediment that conventional flushing cannot. UI, Inc. representatives at the meeting said these suggestions would be taken under consideration. The Board has not been made aware of an increase in the flushing schedule or if uni-directional is being done. Please advise accordingly.

It is the Board of Directors sincere hope that Utilities, Inc. will resolve the issues noted above and work with the Board of Directors to give Pennbrooke residents a better quality of water.

Sincerely,

Julia Fromkin, President  
On Behalf of the Board of Directors  
Pennbrooke Homeowners' Association, Inc.

Cc: Public Service Commission  
Office of Public Counsel

Enclosure: One

RECEIVED  
15 AUG 27 AM 8:50  
PUBLIC COUNSEL

Patrick Flynn (PCFlynn@uiwater.com)

Mon 2/25/13 7:49 PM

george auger (geoauger@hotmail.com); Bryan Gongre (BKGongre@uiwater.com)  
wayne stevenson (wstev707@yahoo.com); Tom Webber (twebber93@yahoo.com)

George,

I am pleased to provide you with a summary of the following information reflecting the scope of our last meeting's discussion.

UI of Pennbrooke asked our engineer to revise his quote for services so that it would reflect a focus on iron removal treatment methods only. The cost to perform a hydraulic study of the distribution system as well as the cost to develop water softening treatment options and costs was eliminated from the original proposal. The revised cost of the engineering services is just under \$16,000 as conducted by CPH Engineers, Inc., an engineering firm headquartered in Sanford that is quite familiar with our existing Pennbrooke facilities and with FDEP rules and regulations associated with water treatment facilities. It will take a couple of months to complete their work and deliver their report once they are given the go-ahead.

The utility is supportive of your suggestion that Pennbrooke HOA pay for this engineering effort with the following constraint. UI of Pennbrooke will contract with CPH Engineers to execute the scope of services. In other words, CPH will be directed by the utility. We will provide you with a copy of the agreement with CPH so there is complete transparency with regard to the amount and the scope of services. Once the work is completed, UI of PB will remit payment to CPH, then submit an invoice to Pennbrooke HOA for payment of the engineer services provided. This provides an accounting trail that will describe the activities undertaken by the two parties, as directed by the FPSC. In this way, there is no impact to rate base in a future docket by undertaking this activity.

As you recall from our last meeting, the estimated cost of iron removal equipment, sized to meet the needs of the Pennbrooke community, was \$70,000 not including site work, permitting, and other non-equipment costs. For discussion purposes, our group agreed to assume the total project amount would be approximately double that amount and with the assumption that no other components of the water treatment facility would need to be modified or added to in order to upgrade the treatment process with iron removal treatment. If the proposed addition of iron removal equipment triggers the need to upgrade, modify, replace or alter other components of the water treatment facilities, then the project cost estimate will be revised accordingly. Based on our experience with similar iron removal equipment in service at other UI facilities, the annual O&M cost to operate the iron removal equipment is not expected to be significant. The media used in this treatment process is replaced every 5 years or so with the cost of that replacement amortized over the life of the media. The estimated impact to the average customer, inclusive of capital and O&M expense, would be on the order of \$1.00-2.00 on a monthly water bill. Once the engineering study is done, we will have a more accurate estimated cost impact to share with you.

I hope the above information is adequate for your purposes in preparing for tomorrow's board meeting. Please

let me know if you have any questions.

Thanks.

**COPY**