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Florida Public Service Commission Capital Circle Office Center 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Reference: Docket# 150010-WS, Aquarina Utilities, Inc. SARC Brevard County Fire Rescue Letter dated 31 October 2016

Dear Commissioners:

Aquarina Utilities, Inc. is compelled to provide you with a brief rebuttal to the Brevard County Fire Rescue letter of 31 October 2016, signed by Mr. Frank Scales, Fire Marshal, which we saw for the first time at the Agenda Conference. It appears that this letter was the basis upon which you determined that our quality of service was marginal, a finding with which we take great exception.

Please accept the following as background information relative to the non-potable (irrigation) system and the fire protection system which are conjoined into one system, completely independent of the potable water system of Aquarina Utilities. This system was designed by the original or some subsequent developer of the Aquarina community, permitted and approved by Brevard County, and has been in place in its current distribution system status since the late 1980's as far as we know (the fire Marshal's letter indicates 2002/2003 for the installation of the hydrants). Prior to our purchase of the utility out of foreclosure in 2011, the non-potable storage tank (just over 1 million gallons) was added to the irrigation system to rectify the serious problem of fish and other organisms clogging the hydrants when the water for the system was drawn from the golf course ponds, which the Commission previously noted. There are roughly thirty-seven hydrants attached to the system, all of which are flow-tested, inspected, oiled, and maintained every two years.

Several times over the past roughly six years, the utility has come into contact with the fire marshal's office regarding the care and maintenance of the fire protection system. In 2011, the system was inspected by the fire marshal's office without our permission or knowledge, apparently at the request of Aquarina Community Services. The fire marshal's office attempted to enforce laws and guidelines that pertain to private commercial fire protection systems, such as you would find in a mall, condominium building, or hospital. These regulations and guidelines do not apply to privately-owned public water systems, and we discovered through research that the fire marshal was not aware of the laws that apply to a utility. After some discussion and referrals up the chain of

command in the fire marshal's office, the fire marshal at that time withdrew his arguments, citations, and threats, acknowledging that a simple verification of our inspection, maintenance and flow records was sufficient to demonstrate our attention to the system. We advised the fire marshal's office that, in fact, they have no jurisdiction over the fire protection system owned by the utility and that, as a courtesy, we would appreciate that the fire department notify us, for our information and the protection of our system, when and where they utilize our hydrants in the future. They have never done so.

In 2016, during the preliminary stages of construction of the new development in Aquarina, Mantilla Reef, the construction contractor or his subcontractors turned off a valve during their work connecting to the non-potable system without notifying the utility. This valve also controlled the flow to one of the hydrants in the Ocean Dunes Condominium area. While another hydrant was available and operational for Ocean Dunes' use, Ocean Dunes had a fire system contractor inspect the temporarily non-operational hydrant, without notifying us or obtaining permission to operate, touch or inspect a portion of our system. We were not informed of the inspection until after the inspection was underway. The fire contractor's representative damaged the hydrant during the inspection and claimed that it was not functioning as a result of broken parts. They repaired the hydrant at the request of Ocean Dunes who attempted to pass the repair bill on to the utility. We did not authorize the inspection or the repair, which was unnecessary in the first place. When the construction contractors revealed that they had turned off the valve servicing the hydrant, flow was restored despite the damages to the hydrant. As part of the construction inspection process, the construction contractors had to have a third party pressure, flow, and serviceability test the nonpotable system and its hydrants for the new development, which was completed with no deficiencies or issues. We reminded the fire marshal's office, who got involved after the Ocean Dunes inspection, and Ocean Dunes that they are not allowed to tamper with or operate our fire protection system without receiving permission to do so, notifying us in advance, and that they have no jurisdiction over the utility's maintenance of the system.

More recently, during a dry period in August 2016 in which all irrigation customers were watering in excess to combat the withering heat crisping the extensive landscaping of the community and the golf course, the condominium association of Ocean Dunes, without notice to us, conducted a fire inspection with the office of the fire marshal. They called us during the inspection, concerned that there was no fire flow at the time of the inspection. In this case, the golf course had poured more than 500,000 gallons of water on the course overnight (at this point they were also watering during the day, in violation of water restrictions) and the other associations and individual irrigation customers also watered at length, bringing the water reserve in the non-potable storage tank down to its minimum level of 250,000 gallons which is always held in reserve for emergency fire flow. At this level, the irrigation system shuts down its pumps and must be manually restarted in the event of a fire. With the water on, it would be impossible to preserve water for fire flow at this level, as irrigation customers would have access to the reserve.

Following the Ocean Dunes fire inspection, we asked the fire marshal's office to please make an effort to coordinate with the homeowners of the Aquarina and surrounding communities in an effort to have them stagger their irrigation schedule, in the interest of preserving water for fire flow. We made the same request of Ocean Dunes management and asked Mr. Chris Madsen of Aquarina Community Services Association and First Service Residential to make an effort to gather the communities together to schedule their irrigation together in a way that would preserve

fire flow for the entire community. To our knowledge, they have taken no such steps to coordinate their irrigation usage. Some, in fact, have continued to water daily, regardless of watering restrictions and despite the fact that they have been advised of the limitations of the system and the desperate need for community cooperation in the interest of general fire safety. Also, despite our requests following the well outages for repairs to our North Well system, only Chris Madsen of First Service Residential and Ocean Dunes have provided us with any emergency contact information for their associations. As the leadership of these communities changes annually, it is imperative for them to provide us with this emergency contact information each year, but they fail to do so. It is for this reason that Chris Madsen was used as a distribution point for notifications during Hurricane Matthew, as his database of contacts is more complete than ours and he has the ability to mass-email messages.

There is no alarm, call-out system, or back-up of any kind on the non-potable system. If it fails, we are unaware of it, even if we are at the plant, until someone calls and lets us know they have no irrigation. Occasionally their outage is a result of a system outage for us, but more often it is a result of the activities of their irrigation contractors or leaks in the customer's irrigation lines. We have no way of providing advance notification for an outage we do not know exists. While it is part of our maintenance program to check the non-potable panel several times during the day, it cannot be monitored 24 hours a day without changing the system and we have no control over how much water is used in irrigation or lost in leaks through the system. For example, a break in a fire-protection line in the Hammocks Condominium building leaked for three days, wasting more than 250,000 gallons of water pouring off the roof of the building before a resident noticed it. The water used in the fire protection system is not metered and we receive no rate for it. The Brevard County Fire Rescue takes hundreds of thousands of gallons of water from our hydrants without notice to us and without charge.

Finally, a recent contact with the Brevard County Fire Marshal's office involved a call stating that three hydrants were without water. When contacted in the evening of Thursday, October 27, 2016, Kevin Burge immediately drove to Aquarina to investigate. Upon arrival, he discovered that there was no issue with the fire protection system. The fire rescue lieutenant had opened a single hydrant, which she claimed had air in it which made its flow unusable. We determined that maintenance, during a recent repair of a main line, had allowed air to enter the line and had not yet had an opportunity to flush the air from the system. There was water in the hydrant, but its flow was momentarily sporadic as air was cleared from the system. In opening this hydrant, at Tidewater Condominiums, across the street from the fire rescue station, the lieutenant of the Brevard County Fire Rescue Station #65, just north of Aquarina, over-loosened the stem of the hydrant, damaging the hydrant and causing her to be unable to close off the flow of water. Water from the hydrant flooded Highway A1A until Kevin Burge returned from the water plant with a valve key and turned the water off at the hydrant valve. The lieutenant demanded that Kevin leave the \$100 tool for their use. Mr. Burge declined, particularly as the hydrants are not to be accessed without permission in the first place. This lieutenant also stated that she routinely opens, uses, and checks this particular hydrant without informing the utility. Kevin Burge reminded her, again, that the hydrants in our system are not to be touched, operated, or inspected without prior authorization from the utility. In this instance, homeowners of Aquarina contacted the Fire Marshal about dry hydrants and started the investigation. The hydrants were functioning properly with good flow and were never without water.

In conclusion, we operate a very good irrigation/ fire flow system, that is only limited by our inability to obtain sufficient rates and funding to make additional improvements to further ensure the safety and security of our customers.

Thank you,

/s/ Holly Burge

Holly Burge Secretary & Treasurer Aquarina Utilities, Inc.