

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** October 21, 2020

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Marissa Ramos, Public Utilities Supervisor, Division of Engineering *MR TB*

**RE:** Docket No. 20200000-OT (Undocketed filings for 2020) - Staff Workshop on Testing for Secondary Water Standards in Water Distribution Systems – October 8, 2020

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Please file the attached post-workshop comments from participants in Docket No. 20200000-OT, Undocketed filings for 2020.

Attachment A – Utilities, Inc. of Florida, Chris Snow

Attachment B – Utilities, Inc. of Florida, Patrick Flynn

Attachment C – US Water, Troy Rendell

Attachment D – Pluris Wedgefield, Inc., Joseph Kuhns

Attachment E – Florida Rural Water Association, Gary Williams

Attachment F – Office of Public Counsel, Thomas A. (Tad) David

MR:pz



October 12, 2020

Marissa Ramos  
Division of Engineering  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399

Re: Staff Workshop on Testing for Secondary Water Quality Standards in Water Distribution Systems

Dear Ms. Ramos,

Thank you for the opportunity to participate in the October 8, 2020 staff workshop on testing for secondary water quality standards in water distribution systems. Continued discussion on this topic and others related to the testing, treatment, and operation of water and wastewater systems is greatly appreciated.

Regarding last week's workshop, Utilities, Inc. of Florida (UIF) recommends the optional sampling of water distribution systems for secondary water quality standards on an annual basis. This sampling will inform the Commission of any current issues going into a rate case. Additionally, it will provide a benchmark with which to evaluate customer concerns expressed during the rate case process. The sampling can occur at a point or points throughout each distribution system as determined by the system operator. UIF also recommends the cost of the sampling be recoverable in rates since the benefits are continued high quality water and an assurance of that to the customers and the Commission.

UIF looks forward to working with you, Commission staff, and Commission members to finding the best solution to address secondary water quality concerns going forward.

Sincerely,

*Chris Snow*

Chris Snow  
Director of External Affairs  
Utilities, Inc. of Florida

**From:** [Patrick Flynn](#)  
**To:** [Gary Williams](#); [Troy Rendell](#); [Joe Kuhns](#); [Marissa Ramos](#); [Office of Commissioner Polmann](#); [Office of Commissioner Graham](#)  
**Cc:** [mike@fus1llc.com](mailto:mike@fus1llc.com); [JR Kelly](#); [Chris Snow](#); [Tom Ballinger](#); [Marty Friedman](#); [Kathryn Cowdery](#)  
**Subject:** RE: Secondary Standard Workshop  
**Date:** Thursday, October 15, 2020 12:11:01 PM

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To all,

I want to reiterate our appreciation for having the opportunity to provide input on this topic.

In response to the discussion about sample costs, I solicited a quote from a commercial lab regarding the cost to analyze the full set of secondary parameters. The quoted price was \$150, which appears to be a standard rate, not a preferred customer rate. Therefore, it provides an accurate basis for understanding what the cost per system might be.

In my view, all utilities, and therefore all its customers, would be well served by the utility sampling from each distribution system annually to provide data that may inform the utility (and indirectly its customers) of whether water quality is degraded between the Point of Entry and the distribution system sample site. This is not a panacea for answering all complaints, but it shifts the discussion a bit to a more objective understanding. It may indicate issues arise from the source water, the piping system, or both, but in many cases it may clarify or separate perceived issues from factual ones. There may also be benefits in terms of enhancing system management, optimizing existing treatment methods, and focusing flushing or other maintenance efforts more effectively. As Marty mentioned, information is power.

The \$150/sample is not an onerous cost to the utility, especially if it was passed through as an ongoing annual cost. At that rate, there is minimal impact to a monthly water bill. I believe the benefits would be significant, especially by offering data year over year to see how or if water quality is changing within the piping network. I appreciate Gary Williams' concern about impacts to Class C water systems, but in reality, customers in those system ought to have their concerns addressed no less ably than customers in Class A and B systems. Class C systems by virtue of having small customer bases in which to spread costs inherently have big challenges to meet customer and regulatory expectations while also maintaining a healthy financial structure. It seems to me the bar for water quality expectations should not be lowered simply because the system is small in size.

I look forward to further discussion on this matter.

Regards,  
Patrick Flynn

**Patrick C. Flynn | Vice President of Operations**

**From:** [Troy Rendell](#)  
**To:** [Joe Kuhns](#); [Marissa Ramos](#); [Office of Commissioner Polmann](#); [Office of Commissioner Graham](#)  
**Cc:** [Gary.williams@frwa.net](#); [mike@fus1llc.com](#); [JR Kelly](#); [chris.snow@uiwater.com](#); [Patrick.Flynn@uiwater.com](#); [Tom Ballinger](#); [mfriedman@deanmead.com](#); [Kathryn Cowdery](#)  
**Subject:** RE: Secondary Standard Workshop  
**Date:** Tuesday, October 13, 2020 11:38:52 AM  
**Attachments:** [image004.png](#)  
[Testing for Secondary Water Standards in Water Distribution Systems.docx](#)

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Good morning,

I also appreciate the opportunity for us to participate in the workshop last week. I have attached a proposed draft rule for further discussions and/or workshop. The attached proposal would address distribution sampling plans being required to be submitted and approved by the Commission.

I look forward to further discussions on this topic.

Troy Rendell  
Vice President - Investor Owned Utilities



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**From:** Joe Kuhns <[jkuhns@plurisusa.com](mailto:jkuhns@plurisusa.com)>  
**Sent:** Tuesday, October 13, 2020 11:19 AM  
**To:** [mramos@psc.state.fl.us](mailto:mramos@psc.state.fl.us); [Commissioner.Polmann@psc.state.fl.us](mailto:Commissioner.Polmann@psc.state.fl.us);  
[Commissioner.Graham@psc.state.fl.us](mailto:Commissioner.Graham@psc.state.fl.us)  
**Cc:** [trendell@uswatercorp.net](mailto:trendell@uswatercorp.net); [Gary.williams@frwa.net](mailto:Gary.williams@frwa.net); [mike@fus1llc.com](mailto:mike@fus1llc.com); [kelly.jr@leg.state.fl.us](mailto:kelly.jr@leg.state.fl.us);  
[chris.snow@uiwater.com](mailto:chris.snow@uiwater.com); [Patrick.Flynn@uiwater.com](mailto:Patrick.Flynn@uiwater.com)  
**Subject:** Secondary Standard Workshop

Dear Marissa,

Thank you for allowing Pluris Wedgefield to participate in the Secondary Standards workshop. I have attached a letter expressing our appreciation and our intentions on sampling for Secondary Standards going forward.

**Joseph M. Kuhns**  
Regional Manager

**Testing for Secondary Water Standards in Water Distribution Systems**

Each water utility should submit a distribution system testing plan for secondary water standards to the Commission for review and approval. The distribution system secondary water standards testing plan should be system specific and should take into consideration the following criteria:

- (a) Number of customer complaints received within the most recent twelve month period on secondary water standard complaints include discoloration of water (color), odor, and hardness (Total Dissolved Solids – TDS);
- (b) Location of customer complaints;
- (c) Source water constituents;
- (d) Length of distribution system;
- (e) Customer density
- (f) Customer seasonality
- (g) Previous secondary water standards test results;
- (h) Type of material of distribution system.

If customer complaints concerning secondary water standards is below five percent (5%) of the total number of water customers in the most recent twelve month period, the water utility shall follow the required testing schedule of the Department of Environmental Protection.

If customer complaints concerning secondary water standards is above five percent (5%) of the total number of water customers in the most recent twelve month period, the water utility shall follow its approved distribution system secondary water standards testing plan.

In no instance shall the water utility not follow the required schedule prescribed by the Department of Environmental Protection.

If the utility experiences clusters of secondary water complaints in a concentrated area or areas, the utility should perform further investigation of the area.

Secondary water standard results should be submitted to the Public Service Commission with the utility's summary of the test results. The summary should provide an explanation of the issue and the proposed resolution, as well as the potential cost of the proposed resolution.

Prior to filing for a rate increase pursuant to Sections 367.081, 367.0814, 367.0822; the water utility shall perform secondary water standards testing no less than twelve months prior to the request.



October 13, 2020

via email only: mramos@psc.state.fl.us

Ms. Marissa Ramos  
Division of Engineering  
Florida Public Service Commission

Re: Staff Workshop on Testing for Secondary Water Quality Standards in Water Distribution System

Dear Ms. Ramos,

I am writing to you to thank you for the opportunity Pluris Wedgefield, Inc., had in participating with other utilities in the Florida Public Utilities Commission's ("Commission") Workshop. While the Florida Department of Environmental Protection ("FDEP") requirements provide for testing of secondary water quality standards every three years at a point prior to entering the distribution system, Pluris Wedgefield, Inc. recognizes that this may not be indicative of the water quality experienced by everyone of the utility's customer. Thus, Pluris would support annual testing for secondary water quality standards at point(s) within the distribution system as determined by the utility operator or in concurrence with the FDEP, to be most indicative of system-wide water quality.

Pluris believes this information will not only be valuable information to the utility in providing its customers with continued good quality water, but will provide the Commission in rate cases with subjective data with which to evaluate customer's subjective comments on water quality. Although such testing is not yet required, Pluris intends to conduct such testing in its distribution system this year and will present the results in its upcoming rate case.

Although expensive, the cost of annual secondary water quality sampling is a reasonable operating and maintenance expense and should be recovered in the revenue requirement as other O&M expenses. We look forward to working with the Staff is moving towards more specific guidelines addressing this issue.

Again, thank you for allowing utilities to participate in the workshop and best regards,

A handwritten signature in black ink, appearing to read "Joseph W. Kuhns", is written over a white background.

Joseph Kuhns  
Pluris Florida Manager

**FLORIDA RURAL WATER ASSOCIATION**

2970 WELLINGTON CIRCLE • TALLAHASSEE, FL 32309-7813

(850) 668-2746

October 15, 2020

Name  
Address  
CSZ  
Dear :

**BOARD of DIRECTORS**

**TOM JACKSON**  
Punta Gorda  
President

**PATRICIA CICHON**  
Monticello  
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**BONNIE PRINGLE**  
Rotonda

**EXECUTIVE DIRECTOR**

**GARY WILLIAMS**  
Tallahassee



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Thank you for accepting comments related to secondary constituents and water utility customer concerns with these non-health related Florida regulations. Although Florida DEP has established regulatory levels for these secondaries, we have not seen them take regulatory action against water utilities who have exceedances. On a federal level, these aesthetic concerns are not regulated and most states do not regulate them. Compliance with Federal/EPA Safe Drinking Water Act (SDWA) requires states to be at least as stringent as the Federal SDWA, but can choose to be more stringent. As such, both EPA and DEP realize with non-health based standards, it is the consumer, customers, and public that determine tolerance and costs they are willing to occur to address these type of issues. As you are fully aware, this can be an unpredictable situation as everyone has different tolerances and reactions to water rate increases even for health based standards. The smaller the water utility the smaller the customer base to spread treatment and water quality improvement cost out which results in a higher percent rate increase. Most of the time we see a vocal minority of the customers having very low tolerances for these aesthetic concerns and expressing their willingness to pay increased rates to address their concerns. These become even more unpredictable as many times the issue brought up is not related to drinking the water, but because of the other 95% use of their public water supply for non-dermal contact uses.

We think the Secondary Legislation you referred to in the recent workshop was from the 2014 State legislation that was developed through the IOU Study Commission established a couple year earlier by the State Legislature. We do know the language of that legislation discussed secondaries as described above, but did not mention testing/sampling/additional distribution requirements. It did mention the issue related to customer meetings where the customer concerns and cost to address secondary constituents could be discussed. We do know and support this as it was FRWA that brought it up and suggested it as an action to better inform all customers on both sides of each issue and let them decide action. The meetings FRWA has been asked to attend and be available to answer questions has found these to be productive and an action determined to be supported by the majority.

From the smallest Class C systems, I am concerned about the cost of secondary testing and cost coverage. If the battery of secondary sampling cost is around \$275 per location not counting labor, travel, other sampling related cost and could need to occur at multiple locations in the distribution system, it could increase water rates at some communities substantially and just the sampling does not even start to address treatment and related issues. Even as some of my colleagues have suggested possibly setting a response trigger for concerns over a certain percent of the customer base, multiple sample locations could be needed if 5% to 10% of the concerns are scattered throughout the system and are not in one area. For smaller systems, 5% of the customers would be a small number in a population of 100 customers or 35 service connection system to trigger action and cost. In fact, if the PSC thinks action on this issue is needed, FRWA might suggest it be phased in and different percent levels be considered for Class C systems. Maybe before rate cases occur, the larger Class A and B water utilities could do sampling like has been suggested in other comments submitted and we see how that goes before requiring for the Class C systems?

It may also be helpful if, in expressed customer concerns, the customer can be as specific as possible on their concerns so the whole battery of secondary sampling would not need to be performed, as individual water quality parameters can be performed with test kits or for only maybe \$15 dollars at a lab.

Sincerely,

Executive Director

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Testing for Secondary Water  
Standards in Water Distribution Systems

Undocketed

Filed: \_\_\_\_\_

**COMMENTS OF THE OFFICE OF PUBLIC COUNSEL**  
**TESTING FOR SECONDARY WATER STANDARDS IN WATER DISTRIBUTION**  
**SYSTEMS**

The Office of Public Counsel (“OPC”) would like to thank the Florida Public Service Commission (“FPSC” or “Commission”) for the opportunity to present comments that emanate from the Staff Workshop on Testing for Secondary Water Standards in Water Distribution Systems (“the Workshop”).

The OPC was created by the Florida Legislature in 1974 to provide legal representation for Floridians in proceedings before the Commissions. The OPC is dedicated to the principle that the rate-setting function of the Commission is best performed when ratepayers who are ultimately responsible for paying utility rates are represented on a basis comparable to those advocating on behalf of the utility companies operating in Florida. OPC reserves our right to change positions regarding any issue related to secondary water quality standards if and when additional information becomes or is made available or to the extent there is a change in law affecting the Commission’s authority or role related to these standards.

**I. Introduction**

On October 8, 2020, Staff held the Workshop to discuss several topics directly related to secondary water quality standards for investor-owned water utilities in Florida. In addition to Commissioner Graham, Commissioner Polmann, and PSC Staff, the OPC and representatives of



interested utilities, including U.S. Water Services Corporation, Utilities, Inc. of Florida, Pluris Wedgefield, Inc., Florida Utility Services 1, LLC, and the Florida Rural Water Association, participated in the Workshop. After introductions, Staff began the Workshop with a presentation from U.S. Water Services Corporation. Discussions during and after the presentation ensued. Discussions at the Workshop were informative and impassioned, but often skewed heavily toward the utilities' perspective. Subsequent to the Workshop, some of the utilities have filed comments regarding testing that contain some constructive points. Without directly addressing any comments served, the OPC offers its comments herein.

## **II. Objective vs Subjective Secondary Water Standards**

During the Workshop, several utility representatives voiced concerns that complaints about secondary water standards were often based on subjective perception of the water quality, with no defined metric. The OPC understands that the effects of secondary water standards may be subjective; however, this does not mean that secondary water standards cannot be monitored and controlled within objective standards. On the contrary, the United States Environmental Protection Agency ("EPA") publishes National Secondary Drinking Water Regulations ("NSDWR"),<sup>1</sup> which the Florida Department of Environmental Protection ("DEP") has adopted pursuant to rule 62-550.320, Florida Administrative Code, which incorporates by reference Table 6.<sup>2</sup> While these standards are not new and are not a panacea for all of the concerns addressed in the workshop, they are objective and widely-accepted metrics for gauging acceptable and unacceptable levels of the listed contaminants. The utilities' representatives voiced consternation over addressing odor in the water. There is a reference test for odor, namely the Threshold Odor

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<sup>1</sup> <https://www.epa.gov/sdwa/drinking-water-regulations-and-contaminants#Secondary>

<sup>2</sup> The information in Table 6 is also available at <https://floridadep.gov/water/source-drinking-water/content/secondary-drinking-water-standards>.

Number (“TON”) referenced in the DEP standards which can be measured and calculated in a laboratory setting.<sup>3</sup>

With these standards and metrics available, the OPC recommends that the Commission consider utilizing them to establish quantifiable expectations for investor-owned water utilities in Florida.

### **III. Utility Testing Frequency, Scheduling, and Locations**

Another issue broached during the Workshop was the frequency, scheduling, and location of testing. In many rate cases, the most recent secondary water test was conducted over two years before the utility filed its rate case, sometimes even before the current owners bought the utility. This stale evidence fails to provide the utility, the OPC, the PSC Staff, and the Commissioners with reliable information. OPC recommends as part of any rate increase, whether by full rate case, Staff Assisted Rate Case, or a Limited Alternative Rate Increase, the utility be required to provide the results of secondary water testing conducted within the six months immediately preceding the filing. Also, consistent with some of the utilities’ comments, tests should be conducted at more than one location in systems larger than a certain size, based on number of customers, pipe volume, or some other verifiable metric. This would assist the utilities and customers in determining the source of a problem and if a problem is isolated or a system-wide problem.

### **IV. Costs**

The OPC does not object to classifying the costs for any regularly scheduled testing,

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<sup>3</sup> TON = (A + B)/ A, where A = Volume of Sample with odor, B = Volume of Pure Water with no odor added to achieve an undetectable level of odor. (If A was a 100 ml sample and 100 ml of water had to be added to not detect the odor, the TON would be 2.) See <https://water-research.net/index.php/water-treatment/tools/drinking-water-smells-taste-and-odors>.

including testing necessitated by the utility's request for a rate increase or annual testing as proposed by multiple utilities in their comments, as an operating and maintenance (O&M) expense. However, any testing necessitated by or conducted in response to a customer complaint should be borne directly by the utility. Pursuant to section 367.0812, Florida Statutes, it is the utility's "obligation to provide quality of water service that meets [the secondary water quality] standards." It is not reasonable to think that the Legislature mandated these standards only to allow the burden to determine the satisfaction of the standards to be shifted onto the customers who have no power to remedy deficiencies in the water or to change where they access water. The utility has the ability and the obligation to provide water that meets these standards. The only time a customer should pay for a test is if they voluntarily, and without prompting from the utility, decide to have their water tested. .

**V. Conclusion**

OPC appreciates the opportunity to provide the preceding comments to the Commission and its Staff regarding testing for secondary water standards in water distribution systems. To reiterate, the OPC recommends that the Commission consider adopting certain objectively measurable criteria for secondary water standards, establish requirements for more relevant and frequent testing, and clarify the utilities' responsibility to pay for such testing.

/s/Thomas A. (Tad) David  
Thomas A. (Tad) David  
Associate Public Counsel