

Brian Schultz

From: Brian Schultz on behalf of Records Clerk
Sent: Monday, January 04, 2021 10:01 AM
To: 'Laurie Weinstein'
Cc: Consumer Contact
Subject: RE: Docket 20200226-SU

Good Morning, Laurie Weinstein

We will be placing your comments below in consumer correspondence in Docket No. 20200226-SU and forwarding your comments to the Office of Consumer Assistance and Outreach.

Sincerely,

Brian Schultz

Commission Deputy Clerk II
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
850.413.6770

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From: Laurie Weinstein <laurie.weinstein@yahoo.com>
Sent: Sunday, January 03, 2021 5:26 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Subject: Docket 20200226-SU

Colony Don Pedro Home Owners Association
Placida, FL

January 3, 2021

Commission Clerk
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399

VIA EMAIL: clerk@psc.state.fl.us

Re: **Docket 20200226-SU**

I am writing on behalf of the Colony Don Pedro Home Owners Association (CDPHOA) in opposition to the request from Environmental Utilities, LLC (EU) to provide wastewater services in the areas specified in their application contained at Docket number 20200226-SU which includes Don Pedro Island (listed as area W2 on the Charlotte County Master Sewer Plan).

We also object to the request by EU for a temporary waiver of Rule 25-30.03(1)(p) and (q). See below.

Our objections are based on the following:

1. **Inadequate Notice:** Inadequate notice has been given to the effected communities. This project was not advertised; nor was it an open-bid process with Charlotte County. A bulk sewer contract was awarded without requests for proposals and without a hearing before the County Commissioners. After that issuance, EU applied to the FPSC for permits ad bifurcation. On December 21, 2020, EU finally filed its notice with the FPSC stating that the Notice had been mailed on December 17th to affected property owners. At no time have actual costs been disclosed by EU or its principals. EU has repeatedly stated that it won't know until after the permit is issued what the costs will be. This is a private start-up company without experience in sewer system construction with limited resources seeking permitting with a first action by the PSC scheduled to occur within days of the end of the holiday season.

Moreover, the Notice dated December 17th implies that the proposed initial rates are available for review when, in fact, EU has applied for a bifurcated permit which excuses them from rate disclosure prior to issuance of the permit. To that extent, the December 17th Notice is defective. Stakeholders are not able to comment on rates that have not been presented for review.

2. **Financial Backing and Expertise:** The Ratemaking process must occur before consideration of the permits can occur. The cases cited in support of bifurcation are inapposite to EU's application and involve much larger population densities involving three cases from the same developer for the same project. This developer had already demonstrated expertise in development of sewer systems to accomplish these projects. Any statements made by the principals of EU to the public are baseless. Instantly, EU has no demonstrable experience and no guaranteed funding (including bond issues) that could even marginally show its solvency, ability to obtain funding, complete the project and/or provide ongoing maintenance.

Specifically, **none of the publicly facing filed documents guarantee any funding and state specifically that there is no commitment to lend.** No projected costs are given. Certainly, a proposed project of this size must have been cost-estimated; No CIAC was provided which would identify cash and property contributions; EU appears to have no experience with projections, certainly not sufficient enough to project annual expenses; there is no comprehensive plan in the application that describes how this project will be financed. EU is a start-up company. As such, the company and its principals are inextricably linked. A completed bond issue by a reputable financial institution should be a mandatory condition precedent for any approval. Again, a letter of interest from a local bank is meaningless. Since the reliability of the financial strength of the principals is paramount, their request to treat all of their financial information as confidential is improper and should be denied.

There have been no studies or valid estimates of the cost of this project, both globally and as it applies to Don Pedro Island. The verbal estimate given by Jack Boyer to community groups of

approximately \$20,000 per homeowner is not based on any actual cost estimates related to this project. Given the project location and necessary involvement of multiple state (and potentially federal) agencies, the number is likely to be much higher. This places an undue burden on the members of our community. No permits should be issued without disclosure and verification of all of the necessary costs, e.g., profits build-ins, ongoing operating costs, construction costs, construction slow-downs or complications; distribution and allocation of cost-recovery, etc.

No provision has been made to allow for payment over time should the project go forward. In addressing this question to residents, the applicant has stated that grants might be available without any factual basis for these statements and without any data in support relative to this project. Grants seem far-fetched at best since the State of Florida is facing a significant budget shortfall exacerbated by the COVID-19 crisis. This application should be rejected until the applicant provides a firm cost per ERU along with appropriate financing options and payment vehicles for those affected owners along with the demonstrated financial ability to provide for payments over time.

EU has failed to address its ongoing operating costs. In an applicant with limited operating experience and financial resources, how will ongoing operating costs be addressed? *Jack Boyer has stated to community groups that if they fight him, the costs will be passed on to the community.* While cryptic, the intent seems clear and also indicates the tenuousness of EU's financial position going into this project.

3. **Location of Project:** The proposed project is on a bridgeless barrier island with unique characteristics that have been unaddressed in the application. This will affect the cost and feasibility of the project. There is no indication that stakeholder agencies such as the West Coast Inland Navigation District (WCIND), Department of Environmental Protection (DEP), Florida State Parks, The Florida Submerged Land Trust, or Florida Fish and Wildlife (FWC) have been consulted. The plan for the pumping station on Don Pedro Island situates it on land adjacent to an access waterway required to access many homes on the island. Construction would be through a well-established flat and navigable waterway which would impede boat and emergency access. DEP permits would be required for destruction of flats and mangroves; FWC approvals would be necessary for destruction of endangered and threatened species habitat. None of these issues have been addressed, and these are only a few of them. The acquisition of easements has not been addressed in EU's application. The question of who will oversee the construction through sensitive and protected habitat has not been addressed. The financial costs of this type of project, e.g. affecting threatened species and protected wetlands and shorelines, have not been addressed.

4. **Oversight by Charlotte County:** EU has been clear that Charlotte County intends to have no involvement in this project and its involvement is limited to allowing hookup to its mains on the mainland. Charlotte County intends to give EU no support for the project in the event of construction or financial difficulty, and moreover will not protect its citizens from ill effects of EU's project. The citizens will be left to bear the burden of any construction, management or financial failures of this project.

In summary EU has not demonstrated that it has the financial capability and funding to sustain itself now and during the time this project is pending. It has not demonstrated that it has the financial stability to obtain the necessary permits from all stakeholder agencies given the time that these processes take. It has not demonstrated that it has the ability to obtain the required financing. Under the circumstances, it would be a

violation of the mandate of the Florida Public Service Commission to grant a permit. EU has shown a conscious disregard for the citizen stakeholders in many ways, but none more so than its threats to pass on its legal fees to customers should they challenge its permit application.

Given the absence of financial and operational data to support this project, and the absence of any discernible expertise, EU's application, request for bifurcation and a temporary waiver should be denied.

Sincerely yours,

Laurie Weinstein

President
Colony Don Pedro Home Owners Association

*****Please add my email address to the list of interested parties to receive docket and filing updates: laurie.weinstein@yahoo.com**
