

Jacob Veughn

From: Jacob Veughn on behalf of Records Clerk
Sent: Wednesday, January 19, 2022 8:16 AM
To: 'jbaird@highlandag.com'
Cc: Consumer Contact
Subject: FW: Docket #20200226-SU - Knight - Don Pedro Island / EU Application for Original Certificate of Authorization
Attachments: Docket #20200226-SU.pdf

Good Morning, John A Baird

We will be placing your comments below in consumer correspondence in Docket 20200226, and the Office of Consumer Assistance and Outreach will be notified.

Jacob Veughn

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From: John Baird <jbaird@highlandag.com>
Sent: Tuesday, January 18, 2022 7:50 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>; Office of Commissioner La Rosa <Commissioner.LaRosa@psc.state.fl.us>; Office of Commissioner Clark <Commissioner.Clark@psc.state.fl.us>; Office of Commissioner Passidomo <Commissioner.Passidomo@psc.state.fl.us>
Cc: John Baird <jbaird@highlandag.com>
Subject: Docket #20200226-SU - Knight - Don Pedro Island / EU Application for Original Certificate of Authorization

Dear Clerk and Public Service Commissioners,

I write to you today to formally request that the **PSC and County Commissioners deny the pending EU application** request for wastewater service (Docket 20200226-SU effecting Knight / Don Pedro Island).

Below, I am reiterating facts that have already been submitted to you by many other affected homeowners and homeowner associations. You will most certainly recognize many of the exact same facts being described here. That is because these are **empirical facts**. Again, this is in an effort by the homeowners to implore the decision makers to arrive at the only logical conclusion which is EU does not met minimum qualifications required.

A. No Validation of Need (Need for Service)

This is by far the most important fact in this case. There is only a fabricated “need” for this application for certification, being submitted by EU. There is no **empirical data** at all to support any of the hear-say and conjecture being used by them to “justify” this application /submission, if any at all was used.

The County adopted the 2017 Sewer Master Plan which includes these Islands for sewer executed by CCUD (Charlotte County Utilities Dept.). In fact, Knight and Don Pedro Islands have been identified as priority areas for the extension of central sewer by CCUD. Furthermore, there was no study of the source of the nitrites alleged to be spilling into inland and shore waters. Specifically, there was no study data to determine whether these were coming from leaky sewage tanks or from fertilizers. Therefore, the assumption that the alleged pollution is emanating from sewer tanks is not a substantiated fact based on any real, applicable testing and or data and therefore must be considered suspect.

B. Legal Ethics and Integrity

Little effort on a background search on Mr. Jack Boyer, reveals the facts appear that Mr. Boyer was charged with and indicted for larceny as it relates to a utility as well as criminal mischief for stealing water from Don Pedro Island State Park to serve his own water utility on Little Gasparilla Island (Copies of these reports have already been submitted to the PSC).

In short, Mr. Boyer waited until rangers were absent from the park over a weekend and installed a water main from the Don Pedro State Park fresh water supply pipe and trenched it to LGI and hooked it up to his water company's facility. He admitted to this and moreover refused to remove the pipe after which he was indicted. How, in any legal proceeding or application to any government agency, can a man with this history of blatant disregard and disdain for the law even remotely be considered as a viable applicant for anything, especially if it is in the same business / industry that he was convicted for crimes in?

The answer to this question from any ethically bound person or entity reviewing this application (having done any internet search or background check), would immediately be a No/Denied! How this application got past the initial screening process(es) raises serious questions regarding integrity and or negligence. There must be some ethical / moral scale used for evaluating anyone (person or business) applying for anything with the county to insure they meet a minimum threshold of integrity. If there is not, then there are even more serious issues at hand.

B. Financial Capacity of the Applicant (Financial Ability)

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 Knight Island-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 margins, ongoing operating costs, construction costs, construction slow-downs or complications; distribution and allocation of cost-recovery, and the ceasing of homeowners land by grant of a right of way to install the sewer.

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?

Mr. Jack Boyer has appeared to threaten 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. EU is a private, for-profit utility company. The owners' financial history and the financial health of the company is not known and not available.

C. Applicant's experience, knowledge and resource deficiencies (Technical Expertise)

The owner has little or no demonstrated experience with sewer systems and the owner's present water company has a long list of non-compliance and violations registered with the DEP. The Charlotte County Clerk's office website lists several foreclosures and lien actions involving Mr. Boyer. Should EU's stewardship of the project become untenable, another future utility will then have to compensate EU for the service area, resulting in further cost to the future ratepayers.

Again, here is more testimony to the lack of integrity and insolvency. Once again Mr. Boyer has shown a conscious disregard for the citizen stakeholders. None more so than its threats to pass on its legal fees to customers should they challenge its permit application.

Given the lack of demonstrated need, the absence of financial and operational data to support this project, and the absence of any discernible expertise, EU's application should be denied.

D. Gateway to commercial building

Additionally, the approval of this application and execution of this project to install a make-shift sewage system, will only pave the way for the approval of the building of commercial structures on Knight /Don Pedro Island (condos / high rises). Anyone with any knowledge of barrier island living and its fragile environment / eco system knows that this would wreck the natural and pristine state of the island forever. For this reason alone, this cannot be allowed to happen.

E. Real project impacts to homeowners (Fair and Equitable Rates & Charges)

Lastly, but most certainly not least, here is a list of what homeowners will be faced with should this project succeed. This list is not exhaustive. Again, if you understand anything about the landscape of the island and the size and orientation of the home lots you will know how unrealistic these requirements are. Meeting these requirements would wreck property lines and lots with easements not to mention enormous power requirements and costs placed on the homeowners.

- **Uncertain Hook-up Cost:** When EU first presented to PIE, the connection fee was estimated at approx. **\$20K per unit**. When the rates and tariffs were finally submitted by the applicant, the requested Service Availability Charge per ERC was reduced to total estimated **\$13,221**.
- **Average Residential Bill: \$178.78**, which is roughly twice the amount that a ratepayer on the mainland in Rotonda pays per month for ***water and wastewater combined***.
- **Electric:** the system pump requires a separate electric panel, installed by a licensed electrician at the expense of the owner.
- **More electric:** If the owner has maxed out their main electric grid with pool equipment or other large-draw items, the panel will need an expensive upgrade to accommodate the new panel.
- **Generator:** the grinder pump has a limited capacity (60 gal) and in the event of a power outage will be unable to function for long. Homeowners will need a generator to keep the system running to avoid sewage back-up. We have frequent power interruptions on the island with various storms so the generator will be a mandatory purchase.
- **Tree removal:** Landscaping and hardscaping around the septic area will need to be cleared at the expense of the homeowner to gain access to crush & fill the septic tank.
- **No pay-over-time plan:** Ratepayers may need to take loans to cover the cost of connection.
- **Mandatory Hook-up:** Charlotte County regulations require all homes to connect to central water and wastewater within 1 year of availability.
- **No grandfathering of septic systems:** regardless of age or condition.
- **No “contract” and no single point of general oversight:** EU is not a contractor that has won a bid to install sewer. The PSC approves certification solely based on the 4 criteria above and regulates rates and charges. Each of the other agencies (County, DEP, Army Corps, etc.) is responsible for supervising only their specific area where regulation and/or permitting is involved. There is no performance bond required and we have no single point of recourse in the event of cost overruns or project failure.
- **Access to homes:** Some properties have physical constraints that will complicate how the applicant gains access to the property without leaving the boundaries or damaging the grounds.
- **Disruption of traffic:** Vehicles have only one point of entry/egress -- the car ferry. With normal traffic, service and construction trucks, delays at the ferry line in season can be an hour or more. This project could result in years of traffic issues.
- **New easement giveaway:** Most utility easements are placed in the road right-of-way. EU has claimed ownership of a utility easement that will go from the sewer equipment, located near the house to the connection in the road without compensating the homeowner for such easement.
- **System maintenance and emergencies:** The applicant has not addressed how the system will be serviced in the event of failure during a storm or other adverse conditions.
- **Lifespan of the equipment:** Salt air takes a heavy toll on mechanical and electrical equipment here. Equipment will need replacing when it fails, possibly at 5-year intervals. This proposal places too much responsibility on the homeowner at too great a cost.

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