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JEA's Response to Staff's 1st
Interrogatories Nos. 1-11

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Original Certificate of)	DOCKET NO. 20190168-WS
Authorization and Initial Rates and Charges)	
for Water and Wastewater Service in Duval,)	FILED:
Baker and Nassau Counties, Florida by)	
FIRST COAST REGIONAL UTILITIES,)	
INC.)	
_____)	

**JEA’S ANSWERS TO STAFF’S FIRST INTERROGATORIES TO JEA
(INTERROGATORIES 1-11)**

JEA, pursuant to rule 1.340, Florida Rules of Civil Procedure, responds to Staff’s First Interrogatories to JEA as follows:

Identities of the Persons Providing Answers:

Robert Zammataro, P.E., JEA Director of Water and Wastewater Planning & Development;

Susan West, P.E., JEA Consulting Engineer; and

JEA counsel of record: Thomas Crabb, Susan Clark, and Jody Brooks.

The addresses and other contact information for Mr. Zammataro and Ms. West are to the attention of counsel of record for JEA.

Interrogatory 1: Does JEA currently have water, wastewater, and/or water reuse facilities in the proposed service territory?

Answer: No.

Interrogatory 2: Does JEA have current, specific plans to serve the territory requested in First Coast’s application for original water and wastewater certificates? Please explain.

Answer: Yes. The territory is in a rural area that is presently undeveloped. The only portion of the territory which is currently permitted for development is within the municipal

boundaries of the City of Jacksonville and is subject to the City's Planned Unit Development Ordinance number 2010-874, that requires the developer 301 Capital Partners to build the water and wastewater facilities to levels and standards acceptable to JEA and then dedicate them to JEA for operation and maintenance or for contract operation. If and when the developer complies with its obligations under the PUD Ordinance, JEA is immediately ready, willing, and able to serve the territory by operating and maintaining the facilities as part of JEA's water and wastewater system.

Interrogatory 3: Does JEA have a franchise agreement in Baker County?

Answer: No.

Interrogatory 4: Does JEA believe that the City of Jacksonville's planned unit development ordinance, requiring developers to build water and wastewater facilities and to dedicate them to JEA, supersedes the Commission's authority to grant water and wastewater certificates to privately-owned water and wastewater companies in Duval County? Please explain your response.

Answer: No. The boundaries of the City of Jacksonville and Duval County are not coextensive. It is JEA's position that within the municipal boundaries of the City of Jacksonville, the City's public works authority under chapter 180, Florida Statutes, exercised by the City through an exclusive water and wastewater franchise granted by the City to its wholly-owned subsidiary JEA by ordinance and by contract, make JEA the exclusive provider unless JEA lacks the ability to serve. JEA's authority within the municipal boundaries comes not from any planned unit development ordinance but from Chapter 180 and the City's grant of an

exclusive franchise to JEA. While a planned unit development ordinance may require construction and dedication of facilities in a rural area of the City by a developer to JEA, JEA's exclusive authority to serve is already in place from the City's authority under chapter 180 and the City's grant of an exclusive franchise to JEA.

In this case, the developer 301 Capital Partners (parent of the applicant First Coast) is subject to a specific City of Jacksonville Planned Unit Development Ordinance, number 2010-874, that requires the developer to build the water and wastewater facilities in this rural area to levels and standards acceptable to JEA and then dedicate them to JEA for operation and maintenance or for contract operation. By creating its subsidiary First Coast and then applying for a certificate of authorization, the developer is asking the Commission to abet the developer's blatant violation of this PUD Ordinance. This specific PUD Ordinance does not make JEA the provider for the subject development since JEA already was previously made the provider by the City's authority under chapter 180 and the City's exclusive franchises to JEA within the municipal boundaries.

As more fully explained in JEA's Response In Opposition to First Coast Regional Utilities' Motion To Strike And JEA's Motion For Summary Final Order, the City of Jacksonville's grant of the franchises to JEA provides a prior right to JEA to provide service within the municipal boundaries (provided JEA has the ability to serve, which it does), which prior right cannot now be taken away by the Commission and given to First Coast.

Please refer to witness Zammataro's direct testimony, page 11, lines 4-6 and 9-12, for the following questions.

Interrogatory 5: Please provide a cost breakdown for the alternative of directly connecting the proposed system to JEA's existing system, and an explanation of how these costs were developed.

Answer: The Developer has the option of directly connecting to JEA's existing infrastructure. JEA's existing distribution and collection system has capacity for the 2,800 ERC's currently being requested by the Developer. The Sewer force main from the property line to the JEA connection point is approximately 25,500 linear feet ("LF"). At a cost of \$368/LF the total cost was estimated at \$10M. Please note, this is a conservative estimate based on previous JEA large diameter pipe projects. Typically, Developer's unit costs are less than JEA's unit costs. The water system has a similar connection point with relatively the same route. Combined the water and sewer cost would be estimated at \$20 million. The Water system would need a re-pump facility to handle peak demands in the area and this cost would be covered by JEA. The re-pump facility would cost JEA \$2 to \$3 million.

Interrogatory 6: Please provide an estimated construction start and completion date for the alternative of directly connecting to JEA's system.

Answer: Typical Pipe Work Schedule:

Preliminary design/ Survey/ Geotechnical work	3 months
Engineering Design	6 months
Permitting	6 months
Construction	18 months

This project could likely be performed in the 2.5 to 3 year range. Please note the 18 months of construction provides 396 work days and the project roughly includes 51,000 LF of pipe. This estimate assumes the contractor can average 130 LF of pipe a day.

Interrogatory 7: On line 9 of page 11, witness Zammataro states that JEA proposed several alternatives to the developer, and three of them are subsequently described. If other alternatives were proposed, please provide a description, a cost breakdown, and an estimated construction start and completion date for each additional alternative.

Answer: Throughout the discussions many variations or scenarios have been discussed but the three alternatives represent the main foundation for all. The three alternatives were as follows:

Alternative one, direct connection to the JEA system: This alternative was discussed previously under answers 5 and 6. The developer would run water and sewer mains from the proposed development to the JEA system, approximately 25,500LF at a total cost of \$20 million. JEA would construct at JEA expense a potable water re-pump facility estimated at a cost of \$2 to \$3 million. This project could serve 2,800 ERC's and construction would take 2.5 to 3 years.

Alternative two, Construct an On Site Facility: Alternative two was essentially the same as what the Developer proposed to build. Construct local water and wastewater facilities to serve the subject community. Upon completion of construction the Developer would dedicate the facilities to JEA and JEA would waive or reimburse the Developer the connection fees as customers connect to the system. This option was outlined in the letter from Steve McInall to Paul Harden dated August 9, 2019. In this option the Developer can control the timeline of

construction and recover the capacity fees collected by JEA. JEA will defer to the Developer's cost and timeline for construction.

Alternative three, construct a JEA Regional Facility: The third option was the most costly and time consuming option. However it served as a starting point for discussions of design since JEA had a long-term plan for serving the surrounding area. It is also the only option that would provide full reclaimed water to the community for irrigation, conserving valuable potable water. JEA owns property directly northwest of Cecil Field. This property was identified as a location for a future JEA regional wastewater treatment facility (WWTF). Under this scenario, the Developer would run the sewer and reclaimed water mains to the proposed WWTF site and JEA would construct a new WWTF. The water connection for service would be the same as alternative one or two. The proposed WWTF site is approximately 30,000 LF away from the development, at \$368/LF the cost is estimated at \$22 million for the sewer force main and the reclaimed water main. The pipelines would likely take 2.5 to 3 years to construct. The WWTF would take up to 5 years to construct and would cost JEA \$15 to \$20 million to construct.

Interrogatory 8: Please provide the total wastewater flow capacity in million gallons per day that JEA could accept and treat if the proposed system was directly connected to JEA's system.

Answer: 2,800 ERC's, at 280 gallons/day equals 784,000 gallons per day which is approximately 0.8 MGD.

Please refer to witness Zammataro's direct testimony, page 11, lines 12-13, for the following questions.

Interrogatory 9: Please provide a cost breakdown for the alternative of extending the proposed system's mains to a JEA regional facility, and an explanation of how these costs were developed.

Answer: The Sewer force main from the Development to the JEA proposed site is approximately 30,000 LF at a cost of \$368/LF the total cost was estimated at \$11 million. The reclaimed water main estimate was calculated with the same approach. The combined estimate is \$22 million for the sewer and reclaimed mains. Please see alternative one or two for the water main cost. JEA would construct the WWTF facility at \$15/gal for wastewater treatment and \$3/gal for reclaimed water facilities thus the combined unit cost for the facility is \$18/gal. The project cost to JEA (not the Developer) would be in the \$15 to \$20 million range.

Interrogatory 10: Please provide an estimated construction start and completion date for the alternative of extending the proposed system's mains to a JEA regional facility.

Answer: JEA can begin the regional facility as soon as needed. The construction time for pipelines are estimated at 3 years while the WWTF construction time is estimated at 5 years.

Interrogatory 11: Please provide the total wastewater flow capacity in million gallons per day that JEA could accept and treat if the proposed system's mains were extended to a JEA regional facility.

Answer: A regional facility can be built and expanded as needed. JEA would most likely build, at JEA expense, a facility that is greater than the needs of the Development to provide

service to the region. JEA would also be able to redirect flow from the existing system to the new facility to provide a stable base flow for better operation and provide a reclaimed water source for the new Development.

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JEA

Signed By: 

Printed Name: Joseph E. Orfano

Title: Treasurer

STATE OF FLORIDA

COUNTY OF DUVAL

BEFORE ME, the undersigned authority, personally appeared Joseph E. Orfano as a representative of JEA, who, being duly sworn, deposes and swears that the above Answers to Interrogatories are true and correct.

SWORN TO AND SUBSCRIBED before me on this 30 day of November, 2020.

Celeste Angela Stevens

Notary Public

My Commission expires:

