

Antonia Hover

From: Antonia Hover on behalf of Records Clerk
Sent: Tuesday, January 18, 2022 8:34 AM
To: 'John Ziegert'
Cc: Consumer Contact
Subject: RE: Docket #20200226-SU

Good Morning, Dr. John C. Ziegert.

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

Thank you!

Toni Hover

*Commission Deputy Clerk I
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
Phone: (850) 413-6467*

From: John Ziegert <jziegert@uncc.edu>
Sent: Monday, January 17, 2022 2:58 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>
Subject: Docket #20200226-SU

Dear Commissioners,

My name is Dr. John Ziegert and I own and reside at the property at 221 Bocilla Drive on Don Pedro Island. My property is within the service district for the central sewer system being proposed by Environmental Utilities (EU). I request that you DENY EU's Application for Original Certificate or Authorization for the following reasons.

1. NEED. To date no actual studies have been conducted to determine that there is in fact a need for central sewers on the island. Please understand that our islands are not densely populated, with fewer than half of the available buildable lots having dwellings. Furthermore, a large majority of the existing dwellings are only used for a few months a year. Except for Palm Island Resort at the north end of Knight Island, which currently owns and operates its own sewage treatment facility, there are NO commercial entities on the islands; no stores, no restaurants, no businesses of any kind that would create a concentrated need for municipal sewage treatment facilities. We have seen no testing of local waters that shows the current residential septic systems are negatively impacting the local environment. Furthermore, the islands are home to a large population of endangered gopher tortoises, and the extensive excavation and heavy equipment traffic required by the sewer installation will almost certainly have a strong negative impact on the existing tortoise population. EU proposes to pump the untreated sewage across the Intracoastal Waterway via an underwater pipe, rather than build sewage processing capabilities on the island(s). I believe this strategy poses a much greater environmental risk due to the possibility of the underwater pipe failing or being damaged by vessel traffic, anchors, etc on the Intracoastal Waterway. This possibility must be weighed against the unproven risk of environmental damage

from existing septic systems, especially since EU has not provided any evidence that the island septic systems are, in fact, poorly maintained or causing problems. Given these concerns, I believe EU's application must be DENIED.

2. FINANCIAL ABILITY. The residents who would be affected by EU's proposal have not been provided any information regarding EU's ability to finance this project that will cost tens of millions of dollars over the course of several years before any fee income is generated. EU is a newly formed company with NO employees or track record to show they are capable of obtaining financing for, or managing a project of this size and complexity. Given that, it seems that as a condition of approval EU should be required to post a performance bond that would guarantee this project would be completed in the not unlikely event that EU finds it has neither the technical expertise nor financial wherewithal to complete the project after it is begun. It is not clear that EU has the financial ability to even obtain such a bond; and I believe that they would have substantial difficulty in doing so since any bonding entity will be looking closely at their financial and technical ability to undertake and complete this project. Given their complete lack of experience in projects of this size and complexity, I doubt they would be unable to satisfy the bonding entities. Another troubling fact is the fact that a number of island residents have reported that in conversations with the owners of EU that they don't believe EU has any actual intention of building the proposed system. Instead, their strategy is to obtain the Certificate of Authorization and then try to collect a large fee from some other entity for the rights to undertake the project. I hope that the PRC has a mechanism to ensure that once an entity has obtained Authorization they actually proceed with the project in a timely manner, rather than just wait around for somebody else to pay them for the rights. Based on their lack of demonstrated ability to finance and bond this project, as well as the uncertainty regarding whether they actually intend to proceed, I believe EU's application must be DENIED.

3. TECHNICAL EXPERTISE. It seems apparent that EU, as presently constituted, has essentially zero technical expertise in this area. The principal of EU reportedly runs the municipal water service on Little Gasparilla Island (LGI), which incidentally has quite a record of dis-satisfied customers and service issues. However a water supply system that simply accepts already treated water from another mainland utility and then distributes it, reads the meters, and collects the payments, is vastly different from designing, installing, maintaining and running a municipal sewage system. I am a retired Professor of Engineering and have held a Professional Engineer's License for over 40 years. Although my area of expertise is not in municipal wastewater systems, I am quite familiar with the size, scope, and complexity of a project such as this. I understand that EU plans to contract with an engineering/construction firm to design and build out the proposed system; but it doesn't appear to me that the two persons/owners who presently constitute the entirety of EU even have the ability to intelligently draft a request for proposals to build the system, or evaluate the proposals once they arrive. Furthermore, it is unclear that any engineering firms they may have contacted have been fully informed regarding the difficulties of building on these bridgeless islands where access is **only** provided by a small ferry/barge system with very limited capability to transport large and heavy equipment that will be required for the project, and how this would impact not only the project cost but the ability of the islanders to actually get on and off the island during construction. I believe that their complete lack of the required technical expertise requires that EU's application be DENIED.

4. FAIR AND EQUITABLE RATES & CHARGES. This is an area where EU has repeatedly failed to provide any evidence that would lead to confidence in their abilities. They initially requested to have the Authorization separated from any information on proposed installation costs or rates. The PSC rightly denied this request. Following this they floated a possible connection fee of \$20,000 per dwelling. It was clear at the time that this was nothing more than a guess they hoped they could get approved because it would likely provide a substantial margin over actual costs. They currently are estimating that the connection fee would be a little over \$13,000 per dwelling unit. Again, this appears to be based on little actual estimation of the cost of the project. I know from my engineering background that even preliminary estimates of costs cannot be made without preliminary designs for the project. EU has no experience in building residential sewage systems, and have not shown that they have contracted with a reputable engineering firm to provide the preliminary design and cost estimates. If they cannot provide **preliminary design and cost documentation from a licensed and**

reputable engineering firm with experience in this area, their application must be denied as being based on not much more than guesswork. Because EU has failed to provide any reliable evidence that their cost estimates are based on reasonable engineering projections, their application should be DENIED.

Thank you for your valuable service and for taking the time to hear my concerns.

Best regards,

John C. Ziegert, Ph.D., P.E.

Professor Emeritus, Department of Mechanical Engineering and Engineering Science

University of North Carolina at Charlotte

Mobile: 864-633-8009

Email: jziegert@uncc.edu