BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240032-SU

Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC.
_____/

VOLUME 2
PAGES 209 - 390

PROCEEDINGS:	HEARING
COMMISSIONERS PARTICIPATING:	CHAIRMAN ART GRAHAM COMMISSIONER GARY F. CLARK COMMISSIONER GABRIELLA PASSIDOMO SMITH
DATE:	Tuesday, January 28, 2025
TIME:	Commenced: 9:30 a.m. Concluded: 5:02 p.m.
PLACE:	Tringali Park Recreation Center 3460 North Access Road Englewood, Florida
REPORTED BY:	DEBRA R. KRICK Court Reporter
APPEARANCES:	(As heretofore noted.)

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

I N D E X

I N D E X CONTINUED

P R O C E E D E E D I N G S

(Transcript follows in sequence from Volume 1.)

CHAIRMAN GRAHAM: Okay. Well, the iPhone 12 is telling me it is 2:24. So we will start 30 seconds early.

We are on Little Gasparilla's witnesses, so Little Gasparilla, it's your first witness.

MS. CHARTIER-HOGANCAMP: LGIPA calls Teresa Weibley.

Whereupon,

TERESA T. WEIBLEY

was called as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MS. CHARTIER-HOGANCAMP:

Q Would you please state your full name for the record?

A Teresa Templin Weibley.

MS. CHARTIER-HOGANCAMP: Is the court reporter picking that up?

COURT REPORTER: If you could speak up just a little bit.

THE WITNESS: Teresa Templin Weibley.

BY MS. CHARTIER-HOGANCAMP:

Q Ms. Weibley, have you been sworn and are you under oath?

A Yes.

Q Did you prepare and cause to be filed prefiled testimony and exhibits in this case on behalf of Little Gasparilla Island Preservation Alliance?

A Yes.

MS. CHARTIER-HOGANCAMP: And for the record, those are Exhibits TTW-1 and TTW-2, marked in the Comprehensive Exhibit List as Exhibit 22 and 23.

BY MS. CHARTIER-HOGANCAMP:

Q If I asked you the questions in your prefiled testimony today, would your answers be the same?

A Yes, except for updated membership numbers.

Q Okay. What correction is that?

A The number of LGPIA's members as change since the date of filing of my prefiled testimony. We now have 241 members, 221 of which own property on Little Gasparilla Island.

MS. CHARTIER-HOGANCAMP: Mr. Chairman, LGPIA asks of that Ms. Weibley's testimony as modified be accepted into the record as though read.

CHAIRMAN GRAHAM: We will put Teresa Weibley's -- Weibley -- Weibley's direct testimony into the

record as though read.

(Whereupon, prefiled direct testimony of Teresa T. Weibley was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC.	DOCKET NO.: 20240032-SU FILED: November 20, 2024

DIRECT TESTIMONY OF TERESA T. WEIBLEY

on behalf of Little Gasparilla Island Preservation Alliance, Inc.

Q: State your full name and address.

A: Teresa T. Weibley. 9782 Little Gasparilla Island, Placida, Florida 33946, which is located on Little Gasparilla Island in Charlotte County, Florida.

Q: What organization are you here to represent, and what is your position with that organization?

A: Little Gasparilla Island Preservation Alliance, Inc. ("LGIPA"), a non-profit organization incorporated under the laws of the State of Florida. I am the Vice President (also known as the Vice Chair) of LGIPA.

Q: Is your testimony being provided as an official representative of LGIPA?

A: Yes.

Q: What is the purpose of your direct testimony?

A: To establish the standing of LGIPA in this proceeding.

Q: What is LGIPA's purpose?

A: LGlPA is organized exclusively to provide a way for people to work together for the common good, transforming common beliefs into action, and to safeguard Little Gasparilla Island and to defend homeowner rights by advocating for the protection and preservation of our fragile island environment via cost effective and environmentally sound measures. These advocacy measures include, as necessary, participation in legal proceedings on behalf of LGIPA's members.

Q: How many members does LGIPA have?

A: As of November 6, 2024, LGIPA has 189 members. Members of LGIPA include current residents, property owners, and friends of Little Gasparilla Island that support LGIPA's purpose. 158 of LGIPA's members own property on Little Gasparilla Island.[1]

[1] Of the 158 land-owning members of LGIPA, some of those members own more than one home/lot, and some of those members share an ownership interest in a single home/lot with other members. Eight of the 158 LGIPA members who own land on Little Gasparilla own condominium units. In addition to the 158 LGIPA members who own property on Little Gasparilla Island, three members of LGIPA own property on Palm Island.

Q: Does LGIPA support Environmental Utilities' ("EU") Application for Original Certificate of Authorization for a Proposed or Existing System Requesting Initial Rates and Charges ("Application")?

A: No.

Q: Do LGIPA's members support EU's Application?

A: No. Of the 189 LGIPA members polled on the issue of whether they supported the EU Application, none of the members supported EU's Application. Of the 189 members, 172 members responded that they are affirmatively opposed to EU's application, five are neutral, and twelve did not respond.

Q: What substantial interests of LGIPA's members are affected by EU's Application?

A: LGIPA's members would each suffer an immediate and substantial injury from EU's Application in at three two ways. First, LGIPA's land-owning members would each be subject to an easement on their property for the installation of EU's equipment and pipelines, affecting each member's land ownership rights. Second, LGIPA's land-owning members would be financially impacted by EU's Application because they would be forced to pay the cost of installation per dwelling, which is significant to many—if not all—of LGIPA's members. Finally, LGIPA's land-owning members would be subjected to ongoing costs and monthly fees for EU's utility service. In addition to these substantial impacts, LGIPA's members have significant environmental concerns about EU's Application.

Q: Are you sponsoring any exhibits?

A: Yes. Exhibit TTW-1—Little Gasparilla Island Preservation Alliance, Inc.'s Articles of Incorporation. Exhibit TTW-2—Bylaws of Little Gasparilla Island Preservation Alliance, Inc.

Q: Does that conclude your testimony?

A: Yes.

BY MS. CHARTIER-HOGANCAMP:

Q Ms. Weibley have, prepared a summary of your prefiled testimony?

A Yes.

Q Would you please summarize your testimony?

A I serve as the Vice-President of Little Gasparilla Island Preservation Alliance, Incorporated. Also known as LGIPA. This is a nonprofit organization organized exclusively to provide a way for people to work together for the common good, transforming common beliefs into action to safeguard Little Gasparilla Island, and to defend homeowner rights by advocating for the protection and the preservation of our fragile island environment.

We do this via cost-effective and environmentally sound measures to include participation in legal proceedings on behalf of LGIPA's members. As noted, we currently have 241 members, of which 221 own property on LGI. Of the 241 members of LGIPA polled on the issue of whether they support EU's application, 229 members responded that they are opposed to the application; five are neutral; seven did not respond. None of the members polled responded that they are in support of the application.

LGIPA's members would suffer an immediate and

substantial injury if EU's application is approved, including being subject to unwanted easements on their properties, being financially impacted by the cost of the installation of EU's equipment, and the members also have significant concerns about the potential environmental impacts of EU's proposed system.

MS. CHARTIER-HOGANCAMP: Mr. Chairman, LGIPA tenders Ms. Weibley for cross-examination.

CHAIRMAN GRAHAM: Thank you very much.

Mr. Friedman?

MR. FRIEDMAN: Thank you very much. I don't have many questions.

EXAMINATION

BY MR. FRIEDMAN:

Q Is there another -- is there a property owners association on LGI?

A Yes.

Q Are you a member of that association as well?

A No.

Q Is the reason -- was the impetus for filing this corporation the filing of this application?

A I am not sure I understand.

Q Was the reason for filing the articles and creating this LGIPA, was it because of the application that Environmental Utilities filed?

A No. It was for these reasons.

Q All right. So the fact that you got notice of the application in late March and you filed the articles on May 6th, 2024, is just circumstance?

A No. I think one of us, not me, was aware that there was a deadline approaching, and so we just got our act together. We are just islanders.

Q Living on island time?

A Yes, sir.

Q I live on one too.

MR. FRIEDMAN: That's all I have got.

CHAIRMAN GRAHAM: Any other cross-examination, staff?

MR. DOSE: Staff has none.

CHAIRMAN GRAHAM: Commissioners?

No redirect?

MS. CHARTIER-HOGANCAMP: Just one point of clarification on redirect.

CHAIRMAN GRAHAM: Please.

FURTHER EXAMINATION

BY MS. CHARTIER-HOGANCAMP:

Q Ms. Weibley, it's my understanding that you are testifying LGIPA was an informal organization and then formalized just before opposing this application?

A Totally correct. Very organic.

Q Thank you.

MS. CHARTIER-HOGANCAMP: No further questions.

CHAIRMAN GRAHAM: Okay. Thank you very much for your testimony.

(Witness excused.)

CHAIRMAN GRAHAM: Next witness.

MS. CHARTIER-HOGANCAMP: LGIPA calls Jadon Hull.

Whereupon,

JADON D. HULL

was called as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MS. CHARTIER-HOGANCAMP:

Q Would you please state your full name for the record?

A Jadon D. Hull.

Q Mr. Hull, have you been sworn and are you under oath?

A Yes.

Q Did you prepare and cause to be filed prefiled testimony and exhibits in this case on behalf of Little Gasparilla Preservation Alliance?

A Yes.

Q And for the record, those are Exhibits JDH-1 and JDH-2 marked in the record as CEL-19 and CEL-20?

A Yes.

Q If I asked you the questions in your prefiled testimony today, would your answers be the same?

A Yes, for the original system proposed in EU's application, some of my testimony and exhibits would be revised based on EU's system modifications presented in the EU's rebuttal testimony.

Q What modifications do you have to your testimony?

A EU's new testimony proposes a different type of system than the original application, which was a little pressure sewer system, also known as a septic tank effluent pumping system. EU now proposes a system that utilizes grinder pumps.

EU also changed the type and horsepower of the pumps to be used on each private property connection to the system. These changes impact the hydraulics of the proposed system.

CHAIRMAN GRAHAM: Mr. Hull, could I get you to pull that mic over in front of you a little bit? Thank you.

THE WITNESS: EU also changed the proposed routing of the forced main from the original

proposal, modifying the system from a single forced main crossing through Don Pedro State Park to two separate directional drills crossing the intercoastal. The cost of the directional drills would be more expensive than the costs presented in my cost opinion, which only contemplated one forced main crossing.

MS. CHARTIER-HOGANCAMP: Mr. Chairman, LGIPA requests that Mr. Hull's testimony, as modified, be accepted into the record as though read.

CHAIRMAN GRAHAM: We will insert Mr. Hull's direct testimony, as modified, into the record as though read.

(Whereupon, prefiled direct testimony of Jadon D. Hull was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC.	DOCKET NO.: 20240032-SU FILED: November 1, 2024

DIRECT TESTIMONY OF JADON HULL, P.E.

on behalf of Little Gasparilla Island Preservation Alliance, Inc.

Q: State your full name.

A: Jadon D. Hull.

Q: State your profession and current employer.

A: CEI Senior Project Engineer at AIM Construction Contracting, LLC.

Q: State your professional address.

A: 2161 Fowler Street, Fort Myers, Florida, 33901.

Q: Briefly state your education, including degrees earned, following high school.

A: B.S. degree in Civil Engineering from the University of South Florida.

Q: Do you hold any professional licenses? If so, please state the license and jurisdiction.

A: Professional Engineer, Florida (License No. 72357; issued 2011). Certified General Contractor, Florida (License No. 1529703; issued 2020). Professional Engineer, North Carolina (License No. 037799; issued 2010).

Q: What is your area of professional expertise?

A: Civil engineering.

Q: Briefly state your professional experience in that area of expertise.

A: I have experience on various construction projects throughout Southwest Florida. I have served in several positions including Senior Project Engineer, Project Engineer, Principal-in-Charge, and Quality Control Manager. My experience includes working on projects that have involved roadway expansion, complex bridge approaches, and large-scale excavation. I also currently serve in the role of Vice President of AIM, where my responsibilities include business development and means and methods discussions. I am also part of AIM's internal review process, performing constructability reviews of construction drawings and quality control for plans and construction documents. Exhibit JDH-1, Resume.

Q: Have you reviewed Environmental Utilities' ("EU") Application for Original Certificate of Authorization for a Proposed or Existing System Requesting Initial Rates and Charges ("Application") (Doc. No. 00672-2024)?

A: Yes. I also reviewed EU's Response to the PSC's Deficiency Letter ("Response") (Doc. No. 01161-2024).

Q: Did you review any specific portions of the Application or Response to prepare your exhibits for this case?

A: Yes. My review focused on two sections of EU's Response: Section 8.2—Conceptual LPS Layout, (EU's Response, Doc. No. 01161-2024, at p. 24–25), and Section 8.3—LPS Base Cost Estimate in EU's Response, (EU's Response, Doc. No. 01161-2024, at p. 37).

Q: Are you sponsoring any exhibits?

A: Yes. Composite Exhibit JDH-2, Environmental Utilities Septic to LPS Sewer—Opinion of Probable Cost for September 2024 (spreadsheets and costing backup).

Q: Did you prepare these exhibits or were they prepared under your supervision?

A: Yes.

Q: Briefly describe what Composite Exhibit JDH-2 consists of.

A: A cost opinion and backup documentation, which corrects errors in EU's costing portion of its Application and Response. The Cost Opinion Spreadsheet (JDH-2, Page 1) provides a cost opinion for EU's proposed low pressure system, based on adjusted unit prices, quantities, and total prices for the items included in EU's LPS Base Cost Estimate, referenced above. The Cost Opinion Spreadsheet (JDH-2, Page 1) also includes pricing for items not quantified in EU's LPS Base Cost Estimate but that are assumed to be included under EU's "Miscellaneous" line item. The Easement Calculation Spreadsheet (JDH-2, Page 2-4) provides estimated calculations for the cost

of required easements for EU's proposed low pressure system.[1] The Three-Inch Measured Pipeline Spreadsheet (JDH-2, Page 5) provides calculations for the length, in linear feet, of the easements on Little Gasparilla Island for 3" and 4" LP PVC as provided in the EU application.[2]

Q: Does your cost opinion include any assumptions?

A: Yes. Due to the highly conceptual nature of EU's proposal, as described in the Application and Response, I had to use the conceptual design provided by EU and Giffels Webster to develop the basis of cost items; the adequacy of the design has not been verified. Moreover, my cost opinion does not include other utility-applied administrative, legal, financing, and operational/maintenance costs. Nor does it include fees for connection to Charlotte County or impacts and service costs. Finally, an inflation factor has not been applied for the future build-out year. All of these assumptions result in a cost opinion that is conservative. That is, any of these costs not included would result in a higher total cost.

Q: EU used 0.18 as the multiplier for calculating "Miscellaneous" costs. In the Cost Opinion Spreadsheet, why did you use 0.23 as the multiplier for the "Miscellaneous" line item?

A: Upon review of the miscellaneous items included in EU's calculations, I determined that many items had been left out of that list. These items include, but are not limited to, ARVs, valves, pressure cleanouts, and erosion control. As a result, EU's 0.18

[1] These calculations include only easements on Little Gasparilla Island, which currently has little to no existing right-of-way. Due to the availability of right-of-way currently existing on Don Pedro and Knight Island, the cost of easements would be expected to be less of a concern.
[2] The application includes 3" LP PVC in the Cape Haze area, which would be located in existing right-of-way. The length of this infrastructure has been excluded from the easement area calculations.

multiplier does not account for all of these costs. A 0.23 multiplier is a conservative estimate of the miscellaneous costs that will be required for EU's proposed project.

Q: In the Cost Opinion Spreadsheet, why did you use a "markup" number for materials and work on a barrier island?

A: It is logistically very difficult to conduct projects such as EU has proposed on a bridgeless barrier island. All materials, equipment, and labor will need to be transported from the mainland to the island via boat or barge. Even EU acknowledges the challenges of these logistics in its Response, (Doc. No. 01161-2024, at p. 30), stating that "since most of this area is on a barrier island, the costs for transporting the materials and labor will likely be higher."

Q: In the Easement Calculation Spreadsheet, why did you use a 1.15 multiplier for "Adjustment to Market Value"?

A: Per the Charlotte County Property Appraiser, Section 193.011, Florida Statutes, paragraphs (1) and (8), requires that just (market) value reflect deduction of reasonable fees and selling costs. Accordingly, "just value" is adjusted by 15%, the Florida Department of Revenue standard, for that reason. Based on recent sales, Just Value is between 9% to 51% below Market Value. The 15% adjustment is therefore a conservative estimate of market value.

Q: In the Easement Calculation Spreadsheet, why did you use a 0.25 multiplier for "Reduction to Easement Interest"?

A: The Reduction to Easement Interest is based on the percentage of Fee interest and contributory value of the easement for water and sewer line easements. Water and sewer line easements are typically valued at 11%-50% of the fee value. *See The Valuation of Easements*, Donald Sherwood, SR/WA, MAI, FRICS, The Valuation of Easements, Right of Way, November/December 2014, at 36, 38, available at

https://www.irwaonline.org/members/publications/archives-2010-2014/. The 25% of Market Value used in this calculation is a conservative estimate of easement value. C10-767

Q: What is your final opinion of cost for the proposed system?

A: My cost opinion for the proposed system is $51,244,204.57. This estimate is derived from the project materials and supporting documents reviewed and presented with this opinion. This reflects a conceptual level of accuracy typical for early-stage design development. This estimate should not be considered a final project-level estimate, which would require more detailed design information typically prepared for procurement processes such as an RFP or bid solicitation. Based on the current information, the final project cost could vary by approximately +/- 10%, depending on final design specifics, material fluctuations, and unforeseen site conditions.

Q: Does your cost opinion differ from the estimate in EU's LPS Base Cost Estimate?

A: Yes. EU's Base Cost Estimate was $17,363,148, (EU's Response, Doc. No. 01161-2024, at p. 37). My cost opinion is $51,244,204.57.

Q: Does that conclude your testimony?

A: Yes.

BY MS. CHARTIER-HOGANCAMP:

Q Mr. Hull, have you prepared a summary of your prefiled testimony?

A Yes.

Q Would you please summarize your testimony?

A Sure. As an engineer with 24 years of experience, specifically in heavy highway civil engineering, I have bid and constructed roadway and drainage projects for the first 10 years of my career. And for the last 15 years, I have performed construction management for local municipalities, doing water and sewer rehabilitation projects in older neighborhoods. Those projects give me insight into both the cost of the new systems, and the difficulties the owners have while operating, repairing and maintaining those systems.

For this effort, I developed a project budget cost for EU's proposed system using the sample approach as I would for developing any engineer's cost opinion -- the same approach for the cost opinion. This opinion is provided in Exhibit JDH-2. I began by reviewing EU's proposed system, I then researched and reviewed recent bids from similar size projects on the mainland using the bid-based estimates. I adjusted unit prices from EU's proposal, resulting in a new total cost for items included in EU's proposal. I then developed a list of

items omitted from EU's proposal, which should have been included and applied -- and then applied bid-based pricing to those items.

Finally, I conducted an easement analysis calculating the estimated cost for required easements for EU's proposed system. Due to the highly conceptual nature of EU's proposal, I was forced to make some assumptions in my engineer's cost opinion. I had used a conceptual design provided by EU and Giffels-Webster to develop the basis of the cost items. Although, the adequacy of that design has not been verified.

Moreover, my cost opinion does not include other utility applied administrative, legal, financing and operational maintenance costs, nor does it include fees for connection to Charlotte County or impact and service costs.

Finally, an inflation factor has not been applied for future build-out. All of these assumptions result in a cost opinion that is conservative, that is, any of those costs included would result in a higher total cost. I also applied several multipliers for markups to my cost opinion. First, I used .23 multiplier for miscellaneous items, whereas, EU had only used .18 multiplier, which I found to be insufficient based on my extensive experience.

Next I applied a markup of 50 percent for materials, equipment and labor, because the base bid pricing I used was from mainland projects, and materials, equipment and labor on a bridgeless barrier island are expected to be more expensive.

Finally, for my easement analysis, I applied adjusted -- adjustments to market value and a multiplier for reduction to easement interest. With all of these factors, I used conservative markups and multipliers. I believe that the true cost of construction will be much higher.

My final cost opinion for the proposed system is greater than 51 million, including engineering and permitting. Given the assumptions I have discussed, along with design changes and EU's rebuttal testimony, I would expect the system to be even greater than that number.

MS. CHARTIER-HOGANCAMP: Mr. Chairman, LGIPA tenders Mr. Hull for cross-examination.

COMMISSIONER GRAHAM: Thank you.

Mr. Friedman.

EXAMINATION

BY MR. FRIEDMAN:

Q Mr. Hull, how much do you have in your estimate for design and permitting costs? Do you not

have your exhibit in front of you?

A I can look it up.

MR. THOMPSON: Mr. Friedman, would you be willing to direct us to the exhibit number?

MR. FRIEDMAN: His exhibit is CEL-20. It's his Exhibit JDH-2, which I think it --

MR. THOMPSON: Thank you.

BY MR. FRIEDMAN:

Q Are you there?

A Yes, sir.

For design, I have it at 10 percent of the construction cost, estimated construction cost. And permitting, I have it at five percent of estimated construction cost.

Q Okay. And so since that's a percentage of construction cost, am I correct that if the construction costs were less, those two amounts would also be less?

A Yes.

Q Okay. Are you aware that EU's engineers are doing that engineering design for a flat fee?

A No, I guess I was unaware that they are doing that for a flat fee.

Q So you wouldn't know that was significantly less than $4 million, is that correct?

A I have no knowledge of that, but I do have

knowledge of the fact that engineering companies usually target 10 percent of construction costs for what they charge for their services.

Q Okay. So that would show that Mr. Boyer did a pretty good job of negotiating then, huh? Yes?

A Sure.

Q How much money do you have in your estimate for geotechnical?

A $500,000.

Q And again, that's two percent of the total construction cost?

A Yes, sir.

Q And would you think that there would be a lot of geotechnical work on the island being that it's flat?

A I don't know that the topography of the island has anything to do with the geotechnical work. But I do know that when you normally provide somebody a bid to bid on, the construction estimators are going to ask for geotechnical work, borings and such.

Q And you did this just based upon your experience of doing this on the mainland?

A Yes. This is with the history of the people, I guess, internal staff knowledge, these are the target percentages that is customary.

Q Have you ever been on the islands?

A Yes.

Q When was the last time you went?

A Sunday.

Q Had you ever been before then?

A Yes.

Q How much money do you have in your estimate for the barging costs?

A I didn't specifically call out the barging cost. It would fall inside of the -- it would fall inside of the markup for construction on a bridgeless barrier island, which was 50 percent.

Q Okay. And if my math is correct, that's about $14 million?

A Yes.

MR. FRIEDMAN: That's all the questions I have.

CHAIRMAN GRAHAM: Any other cross-examination from the other parties?

Staff?

MR. DOSE: None from staff.

CHAIRMAN GRAHAM: Commissioners?

Redirect?

FURTHER EXAMINATION

BY MS. CHARTIER-HOGANCAMP:

Q Mr. Hull, just a couple of questions.

You were asked if you had ever been on the island. You responded that you had recently been. Do you, indeed, own property on the island?

A Yes.

Q And how long has that been?

A If you count the portion of time that it belonged to my father, since 2005.

Q So would that make you uniquely situated to understand the challenging logistics of working on the island?

A Yes. Hurricane Ian, from wind event, blew my house down two years ago. And we have recently worked on the seawall, and have a dock project in the works. So between the residential planning that I have done to replace the house, I have a pretty good understanding of the markup to work on the island.

Q Okay. Thank you, Mr. Hull.

MS. CHARTIER-HOGANCAMP: No further questions.

MR. FRIEDMAN: Can I do one follow-up based on that?

CHAIRMAN GRAHAM: No, sir, but thank you.

Mr. Hull, thank you for your time.

(Witness excused.)

MR. VOLPE: Little Gasparilla Island Preservation Alliance next calls John Shaw as a

witness.

CHAIRMAN GRAHAM: Mr. Shaw, welcome.

Whereupon,

JOHN SHAW

was called as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. VOLPE:

Q Mr. Shaw, is the microphone okay?

A We will see.

Q Could you please state your full name for the record?

A John Thomas Shaw.

Q Have you been sworn?

A I have.

Q Did you prepare and cause to be filed in this docket prepared direct testimony and Exhibit JS-1?

A I did.

MR. VOLPE: Mr. Chairman, we would note for the record that Exhibit JS-1 has been identified on the CEL as Exhibit 21.

CHAIRMAN GRAHAM: Duly noted.

BY MR. VOLPE:

Q Mr. Shaw, if I asked you the questions in your

direct testimony, would your answers be the same?

A My opinions, based upon the original proposed system, have not changed; however, there have been significant revisions to the original proposal. That said, the revisions now proposed have not changed my basic opinions; however, portions of my original testimony would be revised.

Q What modifications do you have based on those changes?

A The original system proposed, as I am sure you are aware, was a low pressure forced main system, often referred to as a step system, which is an acronym for septic tank effluent pumping system. That proposed system has now been replaced with a grinder pump system.

This change requires the removal and abandonment in place of existing septic tanks and installation of a grinder pump station, which is designed to macerate or grind and pump solids through a small diameter forced main.

From a technical perspective, the change adds a dimension of complexity not included in the original proposal, which would have left the solids in the septic tank for future removal and disposal. The grinding and pumping of solids would include an additional risk of plugging should the forced main system become static,

and allow the pumped solids to settle out within the main.

In addition, the proposed amount includes two big crossings, rather than one, adding to the cost and long-term vulnerability of the system.

MR. VOLPE: Mr. Chairman, we request that the prepared direct testimony of Mr. Shaw, along with the modifications, be inserted into the record as though read.

CHAIRMAN GRAHAM: We will insert Mr. Shaw's direct testimony into the record as though read including those modifications.

(Whereupon, prefiled direct testimony of John Shaw was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC.	DOCKET NO.: 20240032-SU FILED: November 1, 2024

DIRECT TESTIMONY OF JOHN SHAW

on behalf of Little Gasparilla Island Preservation Alliance, Inc.

C11-775

Q: State your full name.

A: John Thomas Shaw

Q: State your profession and current employer.

A: Civil Engineer, John Shaw Consulting, LLC

Q: State your professional address.

A: 1887 Whitney Mesa Dr., Henderson, NV 89014

Q: Briefly state your education, including degrees earned, following high school.

A: Bachelor of Science, Civil Engineering, University of Nevada, Reno (1988)

Q: Do you hold any professional licenses? If so, please state the license and jurisdiction.

A: Registered Professional Engineer in 35 states including Florida

Q: What is your area of professional expertise?

A: Wastewater and Water Utilities including planning, design, operation and maintenance, management and regulatory compliance.

Q: Briefly state your professional experience in that area of expertise.

A: Over 37 years working exclusively in the water and wastewater utility industry as a professional engineer, operator, manager and consultant.

Q: Have you ever testified as an expert witness?

A: Yes, I've testified at trial, both bench and jury over two dozen times, testified in front of arbitration panels and been deposed more than fifty times.

Q: Briefly describe the nature of your experience as an expert witness.

A: I have been accepted as an expert witness in several state and federal courts and have testified and/or been deposed over fifty times. All of my forensic work has been deposed over fifty times. All of my forensic work has been exclusively in the water and wastewater utility industry.

A: I have been accepted as an expert witness in several state and federal courts and have testified and/or been deposed over fifty times. All of my forensic work has been exclusively in the water and wastewater utility industry.

Q: Have you reviewed Environmental Utilities' ("EU") Application for Original Certificate of Authorization for a Proposed or Existing System Requesting Initial Rates and Charges ("Application")?

A: Yes.

Q: Did you review the Exhibit to EU's Application titled "Accounting Information" (dated January, 2024)?

A: Yes.

Q: Did that exhibit contain seven separate "Schedules" of accounting information, including subparts?

A: Yes.

Q: Did you find any deficiencies in any of the Schedules of the Accounting Information?

A: I believe there are omissions in EU's calculations. There are several costs associated with the project, both capital and on-going that were not obviously included in the work or were included but are not currently accurate. It is my understanding that the cost estimates used in the "Accounting Information" were originally developed and presented in a report by Giffels-Webster Engineers, Inc. (GWE) in early 2021. I asked that a current unit cost estimate be compiled from local (Southwest Florida) public works projects of similar scope, since this would provide the most accurate estimate of project costs, and the information is publicly available. The results of that effort are included in Exhibit JDH-2, as attached to Jadon Hull's testimony. I have used that Exhibit's information in my following opinions. In addition to the costs discussed

below and included in the "Accounting Information" are the costs that will be levied by the County against either EU or its customers. These costs include, but may not be limited to:

1. Connection Fee $11,201.00

The current connection fee is proposed to be increased per the County's recent rate study, to $30,579.00, however there are elements of that fee which should not be charged to the subject customers, such as a $13,000 charge for the installation of a LPS facility.

2. Conveyance Fee $ TBD

The total project cost for the "Master Pump Station" and associated force main described in the GWE report is not included in any of the costs projections for the proposed services. Whatever the costs, the County will surely pass that on to the subject customers in additional connection fee as well as potentially a surcharge to the monthly fee for operation and maintenance costs.

Current estimate of construction costs, connection fees, usage fees, etc. are discussed below.

Q: For "Schedule 1B," describe the deficiencies.

A: *Item 6: Collecting Wastewater – Force* *$3,844,283*

The current (2024) estimated cost of construction for the force main portion of the project is: $7,116,745.00

Item 14: Pumping Equipment *$13,467,376*

The current estimated cost per unit for the supply and installation of the proposed pump stations is: $9,450.00

Based upon the number of customers included in the "Accounting Information" (1,248), the extended cost to supply and install the proposed pump stations is:

$21,168,000

In addition, what is apparently not included in the "Accounting Information" costs are:

1. Abandon existing septic tank in place (per unit): $5,000.00
2. General Conditions and appurtenances (lump sum): $5,287,399.85
3. Markup (for materials and costs for work on barrier islands) (50% of estimated construction cost): $14,138,047.43

Q: For "Schedule 3B," describe the deficiencies.[1]

A: *Item 34: Average cost per customer per month* *$82.85*

There is apparently no account for:

1. The cost associated with conveyance by the County from the main pump station to the POTW
2. The cost associated with the treatment of the wastewater by the County.
3. The cost of disposal of the wastewater by the County.

Q: For "Schedule 4B," describe the deficiencies.[2]

A: *Item 12: Future Customers (ERC) to be Connected* *1,248*

The GWE report shows 1,251 connections (pg. 43 of 63)

Item 17: Requested Service Availability Charge Per ERC *$14,512.55*

Based upon the current estimated cost of construction, not including the County connection fee and costs for conveyance, the subtotal cost for service per ERC (1,251 units) is: $46,189.79

Q: For "Schedule 5," describe the deficiencies.

A: *Item 2: Sewer Lateral Cost* *$1,789,151*

Item 4: Sewer Lateral Installation Fee *$1,433.61*

[1] The "Accounting Information" exhibit does not contain a "Schedule 3A."
[2] The "Accounting Information" exhibit does not contain a "Schedule 4A."

The GWE report lists an "On Site Lateral Connection" per unit cost of: $1,000.00 (pg. 20 of 63). The estimated current cost to install the sewer service laterals (on site) is: $2,000.00

Q: For "Schedule 7" describe the deficiencies.

A: *Item 3: Base Facility Charge* *$88.78*

Item 4: Gallonage Charge, 10,000 gallons cap *$28.35*

These two charges combined ($117.13) represent, it is assumed, the typical monthly charge per customer. This does not including the charges levied by the County for transmission, treatment and disposal of the wastewater. At present, the County's average monthly water and sewer bill (the County bills the two services as one) is $121.53, however the fees are expected to increase to $170.45 by the year 2029, based upon the recommendations of a recent rate study by the County.

Q: For "Accounting Schedules, DDS-1, Page 11 of 21" describe the deficiencies.

A: The Asset Life utilized for the LPS Tank installation, which includes the associated pumps is 18 years. The GWE Report states that the life expectancy is only seven (7) years (GWE Report, Appendix B, pg. 40).

Q: Are you sponsoring any exhibits?

A: Yes. Exhibit JS-1: Current CV of John Shaw, P.E.

Q: Did you prepare these exhibits or were they prepared under your supervision?

A: Yes.

Q: Does that conclude your testimony?

A: Yes.

BY MR. VOLPE:

Q Mr. Shaw, have you prepared a summary of your testimony?

A I have.

Q Would you please summarize your testimony?

A Sure.

I am a registered professional engineer registered in over 30 states, including the state of Florida. I have a degree in civil engineering from the University of Nevada Reno, which I obtained in 1988, and have been self-employed as an engineer, practicing exclusively in the water and wastewater utility industry since that time.

I am also a many former private utility owner, public utility general manager, and an owner of a private company that provides contract management and operation and maintenance services, as well as construction services to both private and public water and wastewater utilities.

In short, I have, planned, designed, constructed, managed, operated and maintained both public and private water and wastewater utility infrastructure for over 30 years. I have reviewed the EU proposal, including the testimony of Jonathan Cole and Deborah Swain, and have reviewed the work of Mr.

Hull, who provides an analysis of current local cost construction -- cost of construction.

My testimony is based upon a review of the testimony of Jonathan Cole and Deborah Swain. And my opinions are based on a review of the application and additional materials, as well as my review of the testimony and the independent analysis and calculations of Mr. Hull.

Both the original, as well as the subsequent proposals, exclude the consider -- exclude the consideration of emergency power for each site. I would be -- it would be advisable, as demonstrated by the recent back-to-back hurricanes to hit Florida, Helene and Milton, to include this design feature, especially given the location of the facilities, which is a bridgeless barrier island.

There is also no well-defined cost or design associated with the master pump stations and forced mains that will be required to convey the sewage to the County wastewater treatment plant. The proposals advise that the County will provide these infrastructure components, but there is no discussion as to cost. In fact, the bulk sewer agreement between EU and the County specifically defines the point of connection to be at the County's designated, quote, existing sewer.

Also, the connection, or TAP fee to the County, is similarly undefined and subject to change per the bulk sewer agreement.

In addition, the life cycle utilized in the cost analysis performed by Ms. Swain utilized the life cycle of 18 years for each grinder pump, where the GWE report states that the life expectancy is only seven years. That change would require a replacement cost component to be multiplied by approximately 2.5.

The location of the proposed infrastructure provides for a very challenging construction, as well as operation and maintenance environment. A bridgeless barrier island such as Little Gasparilla adds very significant cost to all of the, quote, normal costs associated with this type of infrastructure. Every component of the work, every piece of material, every tool, every workman, every truck must be loaded, barged across to the island and unloaded, and returned back to the mainland as required. That expense and added inefficiency is not to be misunderstood or underestimated.

It is my understanding that the GWE report has used an upcharge of 10 percent, which seems very optimistic, as does the 18 percent contingency.

Based upon my review of Mr. Hull's cost

opinion, it is my professional opinion that the use of an upcharge of 50 percent, and a contingency of 23 percent is both more conservative and critically realistic.

The revised ERC costs based upon the analysis provided by Mr. Hull is over $40,000. This includes the deficiencies that I have described above, as well as the cost of the newly proposed grinder pump system.

Again, this does not include the cost associated with infrastructure required to convey to the County's point of connection and described in the proposal as master pump station and forced main.

In conclusion, the EU proposal is financially flawed and ambiguous, and technically incomplete. Given that there is no demonstrated current or feasible need for the infrastructure proposed, nor an economically reasonable proposal to be considered, my overall opinion was, and continues to be, that the proposal is not in either the island communities nor the general publics best interest.

Q Thank you, Mr. Shaw.

MR. VOLPE: Mr. Chairman, we tender Mr. Shaw for cross-examination.

CHAIRMAN GRAHAM: Thank you.

Mr. Friedman.

EXAMINATION

BY MR. FRIEDMAN:

Q So, Mr. Shaw, do I understand that you agree with Mr. Hull's assessment of $14 million in barging fees to get supplies over to the island?

A Yes.

Q Do you know how much a barge costs?

A Pardon me?

Q Do you know how much a barge costs?

A I do.

Q How much?

A The actual barge or the trip.

Q Well, what does the barge cost? Yeah.

A Well, you are not being very specific. You mean the trip across or the actual barge itself?

Q The actual barge itself. Yeah.

A I do not know.

Q Oh, okay. Understood.

Didn't the recent hurricanes destroy many of the septic tanks on the island and discharge that sewage into the island environment?

A I do not know.

Q You have never seen any photographs of any of the septic tanks in the middle of the beach?

A I have not.

Q Did you not read the testimony of Mr. Cole?

A I did.

Q You didn't look at the pictures in there?

A I just don't recall seeing them.

Q Okay. On page eight -- by page five, line eight, you make a statement that when addressing the rates, what you perceive as deficiency in the rate calculation, you said: This does not include the charges levied by the County for transmission, treatment and disposal of wastewater. Is that -- do you remember making that statement?

A I do.

Q So you don't -- you did not see in Ms. Swain's calculation a purchase wastewater treatment cost?

A I have.

Q And you think that's different than what you were talking about here?

A At that time, I had not seen the bulk agreement.

Q I am talking about in the testimony of Ms. Swain in this case, the financial schedules.

A Right. I understand that.

Q Okay. And now you noticed that there is a charge for purchased wastewater treatment?

A Yes.

MR. FRIEDMAN: Okay. I don't have any further questions.

CHAIRMAN GRAHAM: Any other?

Staff?

MR. DOSE: Staff has none.

CHAIRMAN GRAHAM: Commissioners?

Redirect?

MR. VOLPE: Thank you. I just have a few questions on redirect.

FURTHER EXAMINATION

BY MR. VOLPE:

Q Mr. Shaw, the -- in Mr. Hull's testimony, am I correct that the 50-percent upcharge for work on the bridgeless barrier island is not just for barge -- barging, is that correct?

A Oh, no. Not at all.

Q What would that include?

A The loss and efficiency of labor, delivery. It's largely associated with the time it takes to get across to the island, to wait in line, to actually be barged, to get to the other side, and return later.

I left the island yesterday afternoon at -- I left our house at 3:20. I departed the barge on the other side at 4:15. This is a midday, you know, afternoon. That is -- that's -- that's not

insignificant. That's a lot of wasted time waiting to get from one side to the other. And my guess is that's not atypical.

Q Would that upcharge, would that increase, or estimated increase, would that also include transportation and logistics on the island?

A Sure.

Q Would that also include work on an island that does not have any road infrastructure?

A As best as I can determine, you know, there is just so many complexities associated with the logistics of this type of construction work on a place where you really don't have access. You don't have normal infrastructure. You don't have improved roads that are significant. You are working in unimproved environments without many of the things that a contractor and engineer take for granted associated with this type, or any type of infrastructure work.

Q Okay. Thank you.

So it's your testimony that that upcharge is reasonable based on work on a bridgeless barrier island?

A I think it is. And it, again, it's just so significant, I am not sure how you could -- you could whittle that down.

Q Understood.

There was a question about Ms. Swain's calculation for -- I believe it was treatment fees for the County. Is that a single line item in Ms. Swain's calculations, in your review?

A I don't recall exactly.

Q But your -- your question -- or regarding whether or not that included the collection fees, that's been resolved, is that correct?

A Correct.

Q Okay. Thank you.

MR. VOLPE: No further questions.

CHAIRMAN GRAHAM: Thank you.

Thank you, Mr. Shaw.

(Witness excused.)

CHAIRMAN GRAHAM: Okay. That concludes Little Gasparilla's witnesses.

Ms. Cotherman, you get to call your witness.

MS. COTHERMAN: I left my -- is it okay if I go get my papers?

CHAIRMAN GRAHAM: Sure. Sure.

Whereupon,

LINDA B. COTHERMAN

was called as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MS. COTHERMAN:

Q My name is Linda Cotherman. I was sworn in. I live at 50 Gasparilla Way. I am on Don Pedro Island. I am also here to submit my direct testimony and the exhibits attached to it. I call them in my testimony LBC-1, 2, 3 and 4.

Yes, if I was asked today if my testimony would remain the same, my answer is, yes, except for I will -- in my testimony, I was not able to comment on the newest plans for -- that EU has given and changed throughout -- since the application.

So it's been mentioned before, the step system to -- which is an effluent pump, which went to the grinder pump system, the fact that there is two connections now, and some of the engineering plans have the connection, when it gets to the mainland on the Don Pedro and Knight Island side, that is cost to be by others, and it's a very forced -- looks like a forced main type line.

I think there is a lot of hardships to the homeowners, and a lot of cost for the homeowners, which has that been factored in. And because this is more of a retrofit rather than new construction, and with no existing on-site utility easements, which normally are

on the side, on the owner usually hooks up their house with their own pipe to the utilities either in the right-of-way or at the side easement, this layout it will probably be down the middle of the lot, or the side of the lot, and has to accompany a lot of equipment.

So I think there is going to be -- I think most of the costs in the original application were way underestimated, and the considerations for permitting, just tree permits on every single lot, if you have to remove a tree, the County, the permitting in front of the Coastal Construction Control Line, all of the environmental permitting.

As a contractor, I am a general certified general contractor in the state of Florida, and for a project like this, there should be flowcharts and studies and prior meetings with officials, DEP officials, to set up their timeline, find out what their cost is, what their requirements are. I don't see this project doing any of the normal things that a contractor would do even on a small job, and especially one that would be very, very important on a job of this size.

As far as Ms. Swain's testimony, I can't find fault with it, but I have never seen any documentation of the numbers that she was given to work with, so I just can't say if any of those numbers are accurate. I

am sure the bookkeeping procedure is accurate, but I don't -- there has been no documentation of -- to verify the costs, say, of the barging or the environmental, the gopher tortoises. I know that cost can be up to more than $5,000 per lot to relocate a gopher tortoise. I don't think that's been factored in, and just many things that are missing in this application, and were never complete to completely analyze it.

CHAIRMAN GRAHAM: Okay. So we will add your prefiled direct testimony into the record as though read.

(Whereupon, prefiled direct testimony of Linda B. Cotherman was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for original certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC
_____/

Docket No.: 20240032-SU

DIRECT TESTIMONY

OF

LINDA B. COTHERMAN

Pro Se Intervenor

C13-796

Q. Please state your name, address and position.

A. My name is Linda B. Cotherman and I reside at 50 Gasparilla Way, Don Pedro Island. My mailing address is P.O. Box 881, Placida, FL 33946. I am presently the President of Core General Contracting, LLC and Linda B. Cotherman Permitting. I also sit on the Charlotte County Advisory Board for the Don Pedro and Knight Islands Street and Drainage Unit MSTU and the Charlotte County Advisory Board for the Barrier Islands Fire Service Unit MSBU.

Q. Are you representing yourself in this Administrative Hearing?

A. Yes.

Q. Are you providing expert testimony?

A. Yes, under Fla. Stat. 90.702 of the Florida statutes. Linda B. Cotherman possesses the unique quality of having approximately 48 years of professional and business experience that is germane to this project and the applicant. (See Exhibit LBC-1 "CV of Linda B. Cotherman" and Exhibit LBC-2 "Witness Reports and Testimony")

Q. Have you found any discrepancies, inaccuracies or missing information in the original application for certification by EU?

A. Yes. (See Exhibit LBC-4 "Analysis of the Application for Original Certificate by Environmental Utilities, LLC").

Q. Have any of the owners of Environmental Utilities, LLC (John R. Boyer and Diane Kay Boyer) made a similar application to the Florida Public Service Commission (PSC) in the past?

A. Yes, twice. In July of 2002 (See PSC Docket Number 20020745-SU) John R. Boyer, as a partner in Island Environmental Utility, Inc., applied to the Public Service Commission for certification of a similar service area. That application was withdrawn. Then again, on October 13th, 2020 (See PSC Docket Number 20200226-SU) John R. Boyer as owner of Environmental Utilities, LLC, applied to the Public Service Commission for certification of a service area that is identical to the present application. That application was denied by the PSC, as was the subsequent Request for Reconsideration.

Q. Have there been any material changes to the Application since the applicant was denied in 2022?

A. No.

Q. Is there a need for service?

A. No. There is no demonstrable need for service shown by the applicant.

Q. Is the proposed application for certification in compliance with the Charlotte County Comprehensive Plan?

A. No.

Q. Is the proposed application for certification in compliance with the Charlotte County Sewer Master Plan?

A. No.

Q. Has the applicant shown technical ability?

A. No. Neither the applicant nor its principals have experience in wastewater system installation and management. The owner of the utility had the opportunity to gain

experience since the initial application in 2002 but did not use the time to accomplish this.

Q. **Has the applicant shown financial ability?**

A. No. The financial ability of the applicant has not been adequately substantiated to prove the applicant can successfully construct and maintain a project of this scope.

Q. Are the proposed rates and tariffs fair and equitable?

A. That has yet to be determined. The figures submitted were pro forma without any substantiating documents. The rates and charges that were submitted do not account for the full range of costs associated with a project of this scope.

Q, Are there any other concerns you wish to address?

A. Yes. (See Exhibit LBC-3 "Principal Arguments in Opposition to the Application for Original Certificate by Environmental Utilities, LLC")

Q. Have the exhibits LBC-1 through LBC-4 been prepared by you?

A. Yes.

Q. Do these exhibits accurately support and express your opinions in this matter?

A. Yes.

Q. Does this conclude your direct testimony?

A. Yes, it does.

CHAIRMAN GRAHAM: Do you have anything else as far as your summary?

THE WITNESS: No, that's fine.

CHAIRMAN GRAHAM: Okay. Mr. Friedman.

MR. FRIEDMAN: Thank you very much, I don't have much.

EXAMINATION

BY MR. FRIEDMAN:

Q Ms. Cotherman, your Exhibit LBC-3, page 12, that's CEL-26, you state the certain disadvantages of a low pressure collection system. Do you recall that?

A Yes.

Q There are advantages to a low pressure system, is there not?

A I am sorry, what's the question?

Q Are there advantages to a low pressure system as well?

A There could be.

Q From the same document that you highlighted disadvantages, would you read the portion that I have highlighted in orange?

A Sure. Is that the orange?

Q Yes.

A Okay. Because wastewater is -- because wastewater is pumped under pressure, gravity flow is not

necessary for the strict alignment and slope restrictions for conventional --

Q Can you slow down? I can't even hear that fast.

A I think I am going to go -- okay -- because wastewater is pumped under pressure, gravity flow is not necessary and the strict alignment and sloped restrictions for conventional gravity sewers can be relaxed. Network layout does not depend on ground contours, pipes can be laid in any location and extensions may be made in the street right-of-way at a relatively small cost without damage to existing structures.

Other advantages of pressure sewers include: Material and trenching costs are significantly lower because pipe size and depth requirements are reduced.

Then skipping some, but you just -- you want me to read just the orange? Okay.

The user pays for the electricity to operate the pump unit. The resulting increase in electric bills is small and may be -- and may replace municipality or community bills for central pumping eliminated by the pressure system.

Q Also in that Exhibit CEL-26, LBC-3, page 13, did you put together these photographs of the newspaper

of some articles on spills?

A No, I did novelty.

Q Where did you get that from?

A It was on the internet.

Q But none of these are near Charlotte County?

A Those were the ones available at the time. Since then, I have gotten daily updates from -- in fact I just got one today -- daily updates of sewer spills in Charlotte and south Sarasota County, those are just --

Q Did you notice -- after the hurricanes, did you notice septic tanks that were empty, that were on the beach and were destroyed?

A No.

Q You didn't see any destroyed septic tanks on the beach?

A There was -- what I observed personally was a couple drain fields that were exposed but had not washed away. And there was -- I saw two septics where the tops had blown off and they were full of sand.

Q The septic tank itself was full of sand?

A Correct.

Q Okay. You talk about, in your testimony, about having to -- that the utility has no provision for easements that are set forth to put the pump in, and you complain about the tariff that says you have got to do

that. Do you recall that testimony?

A Yes.

Q All right. Doesn't your -- you get water from Bocilla?

A Pardon?

Q Do you get water from Bocilla?

A Yes, I do.

Q Okay. And doesn't the Bocilla tariff have exactly the same provision?

A No, they do not. I don't know -- the tariff, I don't know if their tariff does. They don't have an easement on my property.

Q They do not?

A No.

Q But they got a water meter on your property?

A No.

Q How do you get water?

A It's in the right-of-way. My pipe that I own goes to their water meter in the right-of-way. I do not have to provide an easement to the water company to get water to my property.

Q So if the pump -- if this grinder pump was located in the easement, you wouldn't have any problem?

A I wouldn't say -- no, that's not what I would say at all.

The grinder pump is, in my opinion, having lived on the island for over 50 years, the mechanics of it, I replaced several hot water heaters, washing machines, dishwashers, everything else, under the house, in the house, everywhere, because of the salt, high salt environment over there.

And grinder pumps, adding one more element that's mechanized, is not, in my opinion, a good solution of something that works by gravity and is regulated by the DEP, so that there is distance to the water table, which I know has always been talked about. The sand is always analyzed. So if it's too fine or too course, they -- for each individual property, the sand is replaced under the drain field so that it drains and filters properly.

Q Hopefully.

A Well, I guess hopefully you want the pump to work too.

Q In page five of your testimony, you reference Exhibit LBC-4, you mention a prehearing statement filed by Charlotte County in the 2002 case. Do you recall that?

A Yes, I do.

Q All right.

A I was there.

Q All right. And let me show you what's CEL-66 and ask you -- this is the prehearing statement you refer to, is that correct?

A I believe so.

Q All right. Would you please read the part I have highlighted on the second page?

A Sure.

Issue: Is there a need for service in Environmental -- Island Environmental Utilities, Inc.'s, or the operator, proposed service tariff, and if so, when will service be required?

County: Yes, due to the level of development which the islands have already sustained, 46 percent build-out -- I will go slower OPC -- 46 percent build-out of the existing lots, central service is needed now. Septic tanks are not generally suitable for use on the barrier islands due to the rapid permeability of the island's sandy soils, high water table, proximity to tidal water and vulnerability to storms.

Q So does that -- in my mind -- well, does that, in your mind, tell you that the County supported putting -- getting rid of septic tanks on the island, at least as far back as 2002?

A No.

Q That doesn't say that?

A Their answer is, yes, there is a need, but their explanation, as I just discussed, because of this -- their reasoning for it is not accurate. They say the permeability of the island's sandy soils. I just spoke to that. That if it is too sandy, it's replaced under the drain field to filter properly.

The high water table is determined by soil profiles. Yes, there is high -- could be high water tables. But that's determined by soil profiles and, engineers certify where the high water table, and there is a distance of two feet, which is the requirements to adequately filter effluent from the drain field. And proximity tidal waters, well, I can't argue that. And vulnerability to storms, there is that.

I will say this question was answered by the County, also present, and who also filed testimony in this same case, was Jeannette Knowlton, who is also still -- who then was the Assistant County Administrator -- or County Attorney. She is now the County Attorney. And they, at that time, were a party of record. They since, in the last two cases since then, have not become a party of record.

And in her statement in 2002, she said that the comprehensive plan would have to be revised in order to for it to be in compliance with the application for

the applicant to serve water -- the sewer -- sewer on the bridgeless barrier islands. That was never done.

Q And that is -- but what I am asking about is need. I am not asking you about the comp plan --

A Okay.

Q -- because this commission is not bound by the comp plan. I am asking you about need.

Whether you agree or disagree with the reasoning of the County, the County has taken that position, have they not?

A This he did in 2002.

Q Okay. In the last case, didn't the Utility Director also testify in this case, that we had his deposition testimony?

A He wasn't present and could not being cross-examined, and we exempted him, and that was his testimony without cross.

Q Was he not cross-examined -- you didn't have to chance to cross-examine him during his --

A No.

Q Would you please wait until I finish the question?

A Yes.

Q His deposition was taken?

A Yes, sir.

Q And you were there, and you could have asked him any question you wanted, correct?

A Yes.

Q Okay. You just said a minute ago, everybody puts their septic tanks, they put sand under it.

A No, I didn't say that.

Q Oh, okay. Well, you were talking about the separation between the drain field -- wait a minute. Wait a minute. Wait a minute. You were talking about the separation between the drain field and the water table, correct?

A Yes.

Q And you said there is three feet of that and everybody is good?

A No, I did not say.

Q All right. Two feet? What did you say? I am sorry.

A I said when a septic system is engineered by a cert -- by professional engineers with soil borings in the field for each individual property, under the DEP guidelines for new septic systems, there is a required two-foot of separation of good, clean sand to filter the drain field and the effluent.

Q And during the inspection, if it didn't have that two foot, it would be a failure?

A I don't know what they -- what the definition of failure would be.

Q Well, interesting you should ask.

Let me show you -- let me show you CEL-62, which is provision of 381.00651, and ask you to read this highlighted sentence right there, please.

A Repair of systems. The local ordinance may not require a repair, modification or replacement of a system as a result of an evaluation unless the evaluation identifies a system failure.

Q The highlighted language?

A But there is other properties -- there is other -- there is a definition then of what failure means.

Q And that's what I want you to read.

A Okay. For purposes of this subsection, the term "system failure" means condition existing within an on-site sewage treatment and disposal system which results in the discharge of untreated or partially treated wastewater onto the ground surface or into the surface water, or that results in the failure of building, plumbing or discharge properly and presents a sanitary nuisance. A system is not in failure if the system does not have a minimum separation distance between the drain field and the wettest season water

table, or if an obstruction in the sanitary line or an effluent screen or filter prevents effluent from flowing into a drain field.

Q Okay. Thank you.

So does that mean to you that when they come do an inspection, that the drain field can be in the water table, and they can't cite them as a failure?

A I -- that's possible, but you would have to ask the Health Department for those requirements.

Q Thank you, Ms. Cotherman.

MR. FRIEDMAN: I have no further questions.

CHAIRMAN GRAHAM: Any other questions from other parties?

Staff?

MR. DOSE: None from staff.

CHAIRMAN GRAHAM: Commissioners?

Ms. Cotherman, would you like to redirect yourself?

THE WITNESS: I think I have made a lot of testimony, and I think everybody understands my position and can read my testimony.

CHAIRMAN GRAHAM: Let me rephrase it. Was there a question that Mr. Friedman asked you you felt was unfair and you would like to explain it? If not, that's fine.

THE WITNESS: No, that's fine.

CHAIRMAN GRAHAM: Thank you very much for your testimony.

MS. COTHERMAN: Yes. Thank you.

(Witness excused.)

CHAIRMAN GRAHAM: Okay. Let's start rebuttal. Mr. Friedman.

MR. FRIEDMAN: I had called Mr. Watson because I wanted to get him -- oh, there he is. Perfect.

MR. VOLPE: Mr. Chairman, can I ask --

CHAIRMAN GRAHAM: Hold on a second.

MR. VOLPE: I'm sorry, can I ask a point of clarification? Our microphone is not working, will the rebuttal witnesses be reordered in the same way as the direct was, or are they taking them in the order they are on the prehearing?

CHAIRMAN GRAHAM: I don't have a preference, Mr. Friedman.

MR. FRIEDMAN: I was going to do it the same way I did this morning, because it just logically flows that the engineer does his thing, then the financial comes later, because it's based on the engineer, you know.

CHAIRMAN GRAHAM: So roughly the same order as the direct, you are going to do the rebuttal?

MR. FRIEDMAN: I was going to do exactly the same order.

CHAIRMAN GRAHAM: Okay. Is there an issue with that?

MR. VOLPE: No, I think just clarified it.

CHAIRMAN GRAHAM: Okay.

MR. KELSKY: I have a question for clarification. Maybe I misunderstood, but I thought the purpose of Mr. Watson going first and out of order was to allow him to go back to work. It did not seem to me at that point in time that he was coming back to give rebuttal testimony.

CHAIRMAN GRAHAM: I thought it was to deal with his schedule. I don't know about going to work and not coming back.

MR. KELSKY: Oh, I'm -- that's why I am asking for clarification.

CHAIRMAN GRAHAM: Well, he is here.

MR. KELSKY: Okay.

CHAIRMAN GRAHAM: I mean, I asked earlier if anybody had a problem with us reordering the direct, and nobody had a problem with reordering.

MR. KELSKY: On the direct, the way it appeared to me, and I can certainly make room for the prospect of being incorrect, that his testimony

was only going to be that time -- at that time, and not on rebuttal, which is why he was being ordered to be first.

CHAIRMAN GRAHAM: That's not the way I understood it. I just understood it to deal with his work schedule, is what I heard.

MR. KELSKY: Fair enough.

CHAIRMAN GRAHAM: Okay. Mr. Watson.

Whereupon,

DAVE WATSON

was recalled as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. FRIEDMAN:

Q Would you please state your full name again?

A It Emmett David Watson, Utilities Director, Charlotte County Utilities.

Q And, Mr. Watson, you are still under oath, as you, I am sure know.

A Yes, sir.

Q Did you prefile rebuttal testimony in this case?

A I did.

Q And if I were to ask you the questions in your

rebuttal testimony, would the answers remain the same?

A They would.

Q Okay. You don't have any changes or corrections?

A No changes.

MR. FRIEDMAN: I would like to move Mr. Watson's testimony into the record as though read.

CHAIRMAN GRAHAM: We will move Mr. Watson's rebuttal testimony into the record as though read.

(Whereupon, prefiled rebuttal testimony of Dave Watson was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC

Docket No. 20240032-SU

REBUTTAL TESTIMONY

OF

DAVE WATSON, Charlotte County Utilities Director

on behalf of

Environmental Utilities, LLC

Q. What is the purpose of your Rebuttal Testimony.

A. The purpose of my Rebuttal Testimony is to address certain testimony filed on behalf of Intervenors.

Q. What efforts is Charlotte County Utilities making to reduce nutrients in the effluent from its Water Reclamation Facilities?

A. Nutrient reduction for Charlotte County Utilities means advanced wastewater treatment. CCU is currently underway with a plant expansion at its Eastport WRF. Part of this expansion is the inclusion of Advanced Wastewater Treatment which will bring the nutrient output to meet the 5:5:3:1 requirements from the FDEP. We intend on continuing the AWT throughout our other plants to meet the State's goals by 2034 and as directed by our Board of County Commissioners. Each of our remaining plants are in various stages of planning and design that ultimately will include AWT.

Q. Does Charlotte County agree with witness Hardgrove that the conversion of septic tanks on the islands is not consistent with the Sewer Master Plan?

A. No, it does not. This is made abundantly clear when the Board of County Commissioners adopted Resolution 2023-155 finding "Charlotte County verifies that the proposed EU Project is not inconsistent with the 2017 Charlotte County Sewer Master Plan." Figure 4-7 in the Sewer Master Plan clearly shows the island as within the 5-year plan to eliminate septic tanks.

Q. Does Charlotte County agree with witness Hardgrove that the conversion of septic tanks on the islands is not consistent with the Charlotte County Comprehensive Plan?

A. No, it does not. This is made abundantly clear when the Board of County Commissioners adopted Resolution 2023-155 finding "Charlotte County verifies that the proposed EU Project is not inconsistent with the Charlotte County Comprehensive Plan." The Comprehensive Plan provisions that Ms. Hardgrove relies by its terms addresses the

extension of public facilities and services outside of the Urban Services Area, not those of private utility providers. The provisions that Ms. Hardgrove relies upon applies to both central water and wastewater service. Except for the State Park property, the whole island is already served by central water service. There are currently three utilities providing central water service to the islands, one of which also provides central wastewater service. So, Environmental Utilities would not even be the first utility on the island providing central wastewater service. One of the central water systems even provides water service via an interconnect with Charlotte County Utilities. It should be abundantly clear that Charlotte County believes that the granting of authority to operate another central wastewater system on the island is not contrary to the Charlotte County Comprehensive Plan.

Q. Do you agree with Ms. Cotherman's statement that the CCU wastewater treatment plant that will be accepting sewage from Environmental Utilities is not designed to accept that sewage?

A. No. The wastewater from the proposed Environmental Utilities collection system will be domestic wastewater acceptable at the Rotunda WRF.

Q. When Environmental Utilities installs a sewer collection line adjacent to a developed residential property will that property have to connect the same as it would if the line was installed by Charlotte County?

A. Yes, Charlotte County has enacted a mandatory connection ordinance which applies to both public and private utilities. The Section applicable to wastewater service is 3-8-41 of the Charlotte County Code.

Q. How does a utility enforce the Mandatory Connection Ordinance?

A. When Charlotte County installs a water or wastewater line adjacent to a property it sends a Notice to the property owner that connection must be made within 365 days, and outlines the process to apply for service and pay the appropriate fees. If the property owner does not

comply the County sends a Final Notice, which also advises that if connection is not made the County will begin to bill its base facility charge anyway. If the property owner continues to refuse to connect, the property owner could be subject to a Code Enforcement proceeding.

Q. Are you sponsoring any rebuttal exhibits?

A. No.

Q. Does that conclude your rebuttal testimony?

A. Yes, it does.

D6-290

BY MR. FRIEDMAN:

Q And do you have a brief summary of your rebuttal testimony?

A I can read it.

Q Well, just a summary of what it said versus what your initial testimony said.

A I believe the rebuttal testimony was specific questions related to -- let's see, the first question was about reducing nutrients in the effluent and water reclamation facilities. That stands.

Does Charlotte County agree with witness Hardgrove that conversion of septic systems on the islands is not consistent with the sewer master plan? The answer stands.

Does Charlotte County agree with witness Hardgrove that --

CHAIRMAN GRAHAM: Mr. Watson, could I get you to either pull the microphone or turn your head. The court reporter is having a problem listening to you.

THE WITNESS: I am sorry.

So the first -- going through the first three questions, the answers stand as submitted. If you would like me to read them all, I can.

BY MR. FRIEDMAN:

Q No, you don't have to. I just want you to hit the high points and summary of your testimony. I don't think we have time for you -- although, I don't see the light over there.

CHAIRMAN GRAHAM: I got it going.

THE WITNESS: I know, you know, the first question was specific to advanced waste treatment. And the County is committed to advanced waste treatment to reduce nutrient levels. We are currently converting our Eastport facility with waste treatment. That will be completed in 2026. Westport and Rotunda will both be completed prior to 2034, which is the requirement by the State.

I have no other discussion related to my rebuttal testimony.

MR. FRIEDMAN: Thank you.

Tender him for cross-examination.

CHAIRMAN GRAHAM: Okay. Little Gasparilla.

EXAMINATION

BY MS. CHARTIER-HOGANCAMP:

Q Mr. Watson -- now can you hear me? Okay.

I want to direct you to your prefiled rebuttal testimony, the question and answer that begins on page two and continues to page three.

In my reading of your answer, it is a rebuttal

to Ms. Hardgrove's testimony regarding whether or not EU's application is consistent with the comp plan. And your initial part of that answer references Resolution 2023-155 that we discussed earlier. And you told me that your two bases for the County's support of this application were just that resolution and the sewer master plan. But then after that answer, you seemed to opine on specific provisions of the comprehensive plan, is that correct?

A As far as the comprehensive plan, again, I am going to say I was not involved in that. However, as far as the resolution goes, I can't talk about the comprehensive plan, but I can talk about the process that we go through for a resolution such as that, if you want me to go through that.

Q Well, I think I am going to ask you a specific question, because, for example, you have a statement in here that says: The comprehensive plan provisions that Ms. Hardgrove relies upon by its terms addresses the extension of public facilities and services outside of the urban services area, not those of private utility providers. The provisions that Ms. Hardgrove relies upon applies to both central water and wastewater service. And then you go on to talk about some other provisions of the comp plan.

That testimony, to me, reads as though you are providing an analysis of whether or not you think this is consistent with the comp plan? Do I misunderstood your testimony?

A No, you do not. However, it's my interpretation of the comp plan -- and again, I am not a planner or certified planner for that.

Q Okay. Well, that's actually what I am getting to.

So you testified earlier that you are not a planner?

A Correct.

Q You are not an expert in the comp plan?

A No, sir -- no, ma'am.

Q You would not be an appropriate expert to do a comprehensive plan analysis?

A No, ma'am.

Q Okay. So going back to your testimony earlier, to reiterate, your reasons for stating that the County supports EU's application are solely those reasons stated in the resolution and the sewer master plan, is that correct?

A That is correct.

MS. CHARTIER-HOGANCAMP: Okay. No further questions.

CHAIRMAN GRAHAM: Palm Island?

EXAMINATION

BY MR. KELSKY:

Q Mr. Watson, you stand by your testimony that you gave earlier this morning, or are you going to alter any of that testimony?

A No, I stand by it.

MR. KELSKY: Okay. No further questions.

CHAIRMAN GRAHAM: Ms. Cotherman.

EXAMINATION

BY MS. COTHERMAN:

Q Is it true that Charlotte County is issuing a much larger number of new septic tank permits countywide than they are converting septic to sewer?

A What I can say on that is, yes, there are more septic tanks going in than septic-to-sewer conversions, yes.

MS. COTHERMAN: That's all.

CHAIRMAN GRAHAM: Staff?

MR. THOMPSON: None from staff.

CHAIRMAN GRAHAM: Commissioners?

Redirect, Mr. Friedman?

FURTHER EXAMINATION

BY MR. FRIEDMAN:

Q In a follow-up to Ms. Cotherman's question,

there are more septic tanks going in than central sewer systems. Are those septic tanks all on a barrier island?

A No, sir.

Q And on the comp plan issue, you are not an expert on comp plan, but it does affect your job as Utilities Director, does it not?

A The comp plan in general, yes, depending on where the specific area is that's going to be discussed.

Q Okay. And like -- so are you saying you cannot -- the County cannot provide central wastewater service to the island?

A That is correct, per the comp plan.

Q And that's in the comp plan?

A It's per the comp plan, and per the certificated area for the utilities.

Q Okay. And how do you know that's the interpretation of the comp plan?

A I go by the experts within the County.

MR. FRIEDMAN: Thank you. Nothing further.

CHAIRMAN GRAHAM: Mr. Watson?

MR. FRIEDMAN: May he be excused?

CHAIRMAN GRAHAM: I was just getting ready to say, thank you for your testimony. You are excused.

THE WITNESS: Thank you.

(Witness excused.)

CHAIRMAN GRAHAM: Mr. Friedman, your next witness.

MR. FRIEDMAN: I think it's Brian Lapointe.

Whereupon,

BRIAN E. LAPOINTE

was recalled as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. FRIEDMAN:

Q Mr. Lapointe, you are still under oath, as a reminder.

A Correct.

Q Would you state your name?

A Yeah. My name is Brian Lapointe.

Q And, Mr. Lapointe, did you prefile rebuttal testimony in this case?

A Yes, I did.

Q And if I were to ask you the questions in your rebuttal testimony, would your answers be the same?

A Yes, they would.

Q No changes or corrections?

A Excuse me?

Q No changes or corrections?

A No, no changes.

MR. FRIEDMAN: Then I would like to ask that Dr. Lapointe's testimony be admitted into the record as though read.

CHAIRMAN GRAHAM: We will insert Dr. Lapointe's rebuttal testimony into the record as though read.

(Whereupon, prefiled rebuttal testimony of Brian E. Lapointe was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC	Docket No. 20240032-SU

REBUTTAL TESTIMONY

OF

BRIAN E. LAPOINTE, Ph.D.

on behalf of

Environmental Utilities, LLC

Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of my Rebuttal Testimony is to provide comments on the critique by Robert J. Robbins, Ph.D. of my white paper (Lapointe 2024) "Science Supports a Septic-to-Sewer Conversion on the Barrier Islands on Charlotte County, Florida" and the Florida Atlantic University (FAU) - Harbor Branch (2016) report "Charlotte County Water Quality Assessment: Phase I Data Analysis and Recommendations for Long-Term Monitoring."

Q. Does Dr. Robbins have any experience studying septic systems and their environmental impacts on groundwaters and coastal waters?

A. Based on Dr. Robbins curriculum vitae, he has no research experience or peer-reviewed papers about septic systems or their environmental impacts on groundwaters or coastal waters. Although Dr. Robbins received his Ph.D. in 2005 from the University of Miami in fisheries science, he has not published as lead author a single peer-reviewed scientific paper.

Q. Was Dr. Robbins' claim true that my white paper was "devoid of any empirical data" from the Charlotte County Barrier Islands and was "misleading and erroneous?"

A. No. To understand why, one must understand that empirical evidence is evidence gathered directly or indirectly through observation or experimentation that may be used to confirm or reject a scientific theory or to help justify or establish as reasonable, a person's belief in a proposition. Although I did not collect on-site water quality data regarding the impacts of septic systems on the Charlotte County barrier islands, I did make personal observations and photos (see cover photo in Lapointe 2024) during a survey of these islands and coastal waters on December 6, 2023. This visual observations confirmed to me that the low elevations, high water tables, porous sandy soils, and high densities of septic systems in proximity to sensitive surface waters characterized poor conditions for septic system functioning on these barrier islands. All these factors are known to exacerbate septic system pollution of groundwaters and

adjacent surface waters. The macroalgal overgrowth of seagrasses and abundant *Cassiopea* jellyfish along the shoreline in Gasparilla Sound were classic symptoms of nutrient pollution and eutrophication from septic system pollution. The Lapointe (2024) white paper cited numerous peer-reviewed scientific papers (42 peer reviewed papers) supporting my observations and conclusions regarding septic system pollution, including similar barrier islands in Florida. Furthermore, site-specific data and information for the Charlotte Harbor barrier islands regarding septic tank densities, age, soils, depth of water table, and septic nitrogen loading were obtained from the Charlotte County Sewer Master Plan (prepared by Jones & Edmunds) and other sources to further support my conclusions. The peer reviewed papers included my own recent studies in nearby Lee County that demonstrated how all these factors result in widespread sewage pollution of groundwaters and surface waters in the Caloosahatchee River and estuary with nutrients, fecal indicator bacteria (identified with the molecular tracer of human waste HF183), and human chemical tracers (sucralose, pharmaceuticals). On the other hand, Dr. Robbins provided no peer-reviewed publications that show septic systems on the Charlotte County barrier islands are not a source of pollution to groundwater and surface waters. Septic systems are well known to be a primary source of nitrogen pollution to groundwaters and surface waters in many urbanized areas in Florida and were identified as such by the Blue-Green Algae Task Force. The Brewton et al. (2022) and Tyre et al. (2023) studies, performed within the Charlotte Harbor National Estuary Program area, are provided as Exhibits BEL-2 and BEL-3 .

Q. Was the randomized monitor well sampling design used in the 2013 Tetra-Tech study appropriate for characterizing nutrient and fecal pollution derived from septic system effluent as suggested by Dr. Robbins?

A. No, a random sampling design will underestimate and obfuscate the impacts of septic systems on groundwater quality. Effluent from septic systems enters the groundwater below the drainfield and is then transported via groundwater flow downgradient to receiving surface waters. Over time, this results in a contaminant plume defined by groundwater flow, and not a randomized pattern of contamination on a given residential lot. To guide proper placement of monitoring wells in septic system research to characterize septic plumes, the direction of groundwater flow must be initially defined to accurately monitor the degree of nutrient and bacterial pollution. Without this critical approach, the random sampling design, such as in the TetraTech (2013) study, results in sampling bias. This biased monitoring design was recognized in section 1.6 "Significance of Test Results" (page 39) of the TetraTech (2013) report where it was stated "random placement provides an overview of the general study area but is not directly indicative of an issue with a failing OSTDS. However, it is noted that with this random sampling, it is difficult to achieve a true indication of the impact on the groundwater. The reason is that as effluent is released from a septic tank and migrates downward through the soil within the drainfield, once it makes it into the water table, it immediately begins to move in the direction of groundwater flow."

Q. Did the use three specific groundwater monitor wells in the FAU-Harbor Branch (2016) study prohibit drawing inferences about septic systems in the study area as claimed by Dr. Robbins?

A. No. Because of budget constraints, the FAU-Harbor Branch (2016) study only provided for limited reconnaissance sampling. As noted on page 19 of the FAU-Harbor Branch (2016) report, monitor wells (MW) 66, 67 and 68 were used in the reconnaissance sampling because "nutrient concentrations, especially nitrogen, were exceptionally high during the East and West Spring Lake Wastewater Pilot Program." The selection of these

wells was based on discussions with Charlotte County Utilities Department (CCUD) staff who installed the wells. The "nuisance complaints" by the Florida Department of Health between 2010 and 2013 was based on sewage ponding on the ground surface, and was abated several years prior to the FAU-HBOI study. Because the TetraTech (2013) report noted that fertilizers and atmospheric deposition could also be contributing sources of nitrogen pollution in the East and West Spring Lake study area, discrimination between human waste, fertilizer, and atmospheric sources of groundwater nitrogen was a key objective in using these wells in the FAU-Harbor Branch (2016) study. Accordingly, the targeted sampling in these wells, which were located a distance away from the septic systems, included not just various forms of nitrogen, but also stable nitrogen isotopes of aqueous ammonium (∂^{15}N-NH_4^+) and nitrate (∂^{15}N-NO_3^-) to identify whether these nitrogen forms were sourced from human waste (septic systems, enriched ∂^{15}N values between +3 to +30 o/oo) or fertilizers/atmospheric deposition (depleted ∂^{15}N values < +3 o/oo). Sucralose concentrations were also measured to provide a conservative chemical tracer of human waste as this artificial sweetener is not removed by septic systems or during groundwater transport. The results showed very high sucralose concentrations (~ 10 µg/L) and enriched aqueous ∂^{15}N-NH_4^+ (+15 to +20 o/oo) and ∂^{15}N-NO_3^- (+10 to +15 o/oo) values in the wells that are characteristic of human waste, not fertilizers or atmospheric deposition. These results of the FAU-Harbor Branch (2016) study are align with more extensive ∂^{15}N sampling of macroalgae and particulate organic matter (POM) in the Indian River Lagoon (Lapointe et al. 2023) and Caloosahatchee River and estuary (Brewton et al. 2022; Tyre et al. 2023) that provided compelling evidence that the worsening eutrophication, harmful algal blooms (red tides, blue-green algae blooms), and seagrass die-offs are being driven to a large extent by human waste from septic systems

in these urbanized estuaries. Furthermore, the TetraTech (2013) study did not sample the monitor wells for ammonia concentrations, which is the primary form of nitrogen in septic tank effluent and the preferred (reduced) form of nitrogen for growth of harmful algal blooms. The FAU-Harbor Branch (2016) study included ammonia data from the three monitoring wells (66, 67 and 68) in 2015 and 2016 and showed enriched values up to ~ 30 mg/L (Fig. 11). Higher ammonium concentrations compared to nitrate/nitrite were also found in the surface waters at four different sites during the 2016 reconnaissance sampling (Table 3), helping to explain why Charlotte Harbor is experiencing increasing phytoplankton biomass (chlorophyll *a*), macroalgal blooms, and seagrass loss. Understanding the nitrogen forms and transformations in septic plumes requires monitoring for ammonia as well as nitrate plus nitrite and is a necessary and fundamental aspect of septic system research. This key form of nitrogen was not monitored in the Tetra Tech (2013) study or addressed by Dr. Robbins. Lapointe et al. (2023) and a University of Florida (IFAS) report on the efficacy of seasonal fertilizer restrictions are attached as Exhibits BEL-4 and BEL-5.

Q. Was the sampling of stable nitrogen isotopes of aqueous ammonium and nitrate as well as sucralose from monitor wells 66, 67, and 68 reliable evidence of pollution from septic systems?

A. Yes. As noted above, data resulting from these analyses were consistent with many peer-reviewed papers, some cited in Lapointe (2024), which link septic system pollution to eutrophication and harmful algal blooms. Measurement of stable oxygen and nitrate isotopes ("dual isotope method") can be used for source identification of nitrate but not ammonium, the latter being the primary form of nitrogen in septic tank effluent. Unfortunately, the dual isotope method does not address the source of ammonium. Despite this shortcoming, the dual isotope method did provide another line of evidence beyond what was found using stable

nitrogen isotopes in particulate organic matter (POM) and macroalgae, dissolved nutrients, and human tracers of contamination such as sucralose and the human molecular tracer HF183 in our recent Lee County studies (Tyre et al. 2023). Measurement of stable nitrogen isotopes in macroalgal tissue was also used in the FAU-Harbor Branch (2016) study. This is a proven method for nitrogen source identification in coastal waters and many peer-reviewed studies and reviews have established this. The nitrogen isotope values measured in the red macroalga *Gracilaria tikvahiae* in the FAU-Harbor Branch (2016) study ranged from +4 to +6 o/oo, which matches well with similar values for macroalgae in sewage polluted waters, such as the Indian River Lagoon (Lapointe et al. 2023). The sucralose data in the FAU-Harbor Branch study provided further evidence of contamination by human waste. Information from CCUD indicated that the groundwater monitor wells used for the isotope sampling were not being impacted by re-use water that is treated at the Eastport Water Reclamation Facility and has much lower total nitrogen concentrations (13.2 mg/L) compared to the incoming untreated wastewater (71.3 mg/L).

Q. Did the FAU-Harbor Branch (2016) study misrepresent the Tetra Tech (2013) fecal coliform dataset and distort the risk of fecal pollution from septic systems?

A. No. Apparently Dr. Robbins confused the TetraTech (2013) report with the larger follow up FAU-Harbor Branch (2016) study. The TetraTech (2013) study used fecal coliform data from 50 monitor wells sampled between 2012 and 2013. The FAU-Harbor Branch (2016) study included additional samples collected in the wells between 2014 and 2016 and provided very basic descriptive statistics of the data. Groundwater that is not polluted by human or animal waste should have zero fecal coliform, so positive values of 10 cfu/100 ml and above are of concern. The fecal coliform values from monitor wells (n = 39) in the FAU-Harbor Branch study (2016) were variable with many samples > 20 cfu/100 ml and eight samples in 2014 and 2015 ranging between the USEPA standard (200 cfu/100 ml) and

approaching or exceeding the Florida surface water standards (400 cfu/100 ml). TetraTech (2013) reported higher fecal coliform levels in groundwater monitor wells (n=50) in the wet season (June through October; 1720 to 2940 cfu/100 ml) with lower values (10 cfu/100 ml) in the dry season. The random sampling design of the TetraTech (2013) study resulted in a statistical bias towards an overall lower range of fecal coliform values in groundwater and was not appropriate for monitoring septic system performance. TetraTech (2013) specifically noted this in stating "when a positive sample is obtained in a random location within the water table, such as where the initial 50 wells were set, it raises more concern that a point source such as an OSTDS likely was the cause of the "spike." As fecal coliform is an indicator of bacteria present in human waste, to have samples testing in the range 1720 and 2940 cfu/100 ml within groundwater away from OSTDS's, questions must be raised as to how the bacteria (which is not naturally occurring in the groundwater), was introduced. Having multiple samples testing with high levels raises more concern." Rainfall infiltration of soils in areas with high densities of septic systems and high-water tables can result in high fecal coliform values in groundwaters and storm drains so that stormwater runoff can carry high levels of fecal bacteria into surface waters. This was documented in the stormwater sampling analysis from the East and West Spring Lake Wastewater Pilot Program area in the FAU-Harbor Branch (2016) study. Fecal coliform values of the stormwater greatly exceeded the Florida and USEPA surface water standard, with mean values of 8,491 cfu/100ml (September 2015 to May 2016) and 11,033 cfu/100ml (September 2015), with maximum values of 48,000 cfu/100ml. This empirical evidence supports the conclusion of TetraTech (2013) that septic systems are linked to decreased water quality in the East & West Spring Lake area where test results showed a positive correlation between nutrients and bacterial loadings. This is consistent with the FAU-Harbor Branch (2016) conclusions that septic systems were a likely source contributing to

fecal contamination in Charlotte Harbor. These conclusions align with a previous peer-reviewed study cited by Lapointe (2024) that concluded for microbial fecal pollution in northern Charlotte Harbor "sites within areas of high OSTDS density also tended to be more contaminated. This may be due to heavy loading of the systems and/or poor treatment of the effluent in the drainfield before reaching surface waters" (Lipp et al. 2001). A more intensive peer-reviewed study in nearby waters of Lee County found the human molecular marker HF183 in 50% of the surface water samples, which was positively correlated with enterococci, supporting the conclusion that septic systems were contributing to widespread contamination of surface waters with human waste. High levels of ammonium occurred in 55% of samples, fecal bacteria in 66% of the samples, and sucralose in 54% of the samples (Tyre et al. 2023).

Q. Was Dr. Robbins correct that there will be little environmental benefit from the estimated nitrogen load reduction from the proposed septic-to-sewer project compared to existing septic systems?

A. No, Dr. Robbins was incorrect. Conventional septic systems are not designed to remove nutrients like nitrogen and phosphorus. Their main function is on removing bacteria and solids and they only achieve limited removal of nutrients, even for for septic systems that are properly sited and maintained. The nitrogen load reduction estimate in Lapointe (2023) for the proposed barrier island project was based on information thought to be correct at the time. Based on new information, the "1,468 accounts" have been revised to 1,248 equivalent residential connections (ERCs) based on the most recent estimates by engineers and accountants. This new number would lower the expected nitrogen load reduction to 29,266 lbs per year. Because of the high-water tables, porous sandy soils with low contents of biologically available organic carbon content, and proximity to surface waters on the barrier islands, it is unlikely that nitrogen removal via denitrification would reduce much of

this nitrogen load. Denitrification within a properly sited, designed, and operated conventional septic system is unlikely. Dr. Robbins was also incorrect in stating that existing Charlotte County wastewater treatment facilities "are not designed to remove nitrogen and phosphorus;" in fact, they do remove substantial amounts of these nutrients as noted in the FAU-Harbor Branch (2016) study. The mean total Kjeldahl nitrogen concentration of raw wastewater was 71.32 mg/L and total phosphorus (TP) was 6.87 mg/L, compared to treated effluent from the Charlotte County Eastport Water Reclamation Facility that had much lower concentrations of TN (13.3 mg/L) and TP (3.2 mg/L). However, current nutrient removal performance is not as high as the levels achieved with advanced wastewater treatment (AWT). Based on the CCUD 2023 Annual Report, design for expansion and upgrade to AWT (5:5:3:1) for the Rotonda WRF is already underway. CCUD intends to achieve AWT throughout its wastewater plants (including reuse water) to achieve the goals of House Bill 1379 (2023) by 2034 as directed by the Charlotte County Board of County Commissioners. So, by the time that the proposed barrier island septic-to-sewer project is completed, the diverted septic effluent will eventually receive AWT. Analysis and estimates like this are not for the immediate moment but rather for the long run at buildout, which will be years from now. This reduction in nitrogen loading will especially benefit the health of adjacent coastal waters surrounding the barrier islands that experience red tides and declining seagrass health. Similarly, TetraTech (2013) concluded for the Spring Lake area "numerous factors have been analyzed which have led to the conclusion that OSTDS's within East & West Spring Lake area are a contributor to elevated nutrient levels within adjoining water bodies, and hence, decreased water quality."

Q. Is it true that Lapointe (2024) described seagrass beds in Gasparilla Sound as "healthy" as Dr. Robbins claimed?

A. No. Lapointe (2024) described the seagrass beds in Gasparilla Sound as "some of the

densest seagrass beds in the area," which was reported as such in the Charlotte Harbor National Estuary Program website summary of Seagrass in Gasparilla Sound/Cape Haze (CHNEP 2023). However, "dense" seagrass beds do not equate with "healthy" seagrass beds as Dr. Robbins implied, because dense seagrass beds can experience self-shading and light attenuation that results in low dissolved oxygen levels, which is exacerbated by eutrophication, algal blooms, and reduced light availability in the overlying water column.

Q. Can land based nutrient subsidies initially lead to dense seagrass beds and then followed by negative responses as disputed by Dr. Robbins?

A. Yes. It is well known in the seagrass literature that experimental nutrient enrichment can initially result in increased biomass and density of seagrasses because of nutrient limitation. Like all plants, seagrasses need nutrients to grow. However, continued nutrient enrichment can saturate growth demands of seagrasses and eventually result in negative effects from eutrophication such as algal blooms, reduced light, hypoxia, anoxia, and sulfide toxicity, resulting is seagrass decline and/or die-off. A published peer reviewed paper on this topic by Cabaco et al. (2013) concluded that "in general, shoot biomass of seagrasses increases with density, and nutrient enrichment enhances this effect." They also concluded that "the later, negative ones are mediated by whole ecosystem responses." These "whole ecosystem responses" include human nutrient pollution from fertilizers and human waste, which are well known to be a primary driving factor for seagrass decline in urbanized estuaries in Florida. See Cabaco et al. (2013) as Exhibit BEL-6

Q. Is it necessary to have a hypothesis to conduct scientific studies on septic systems as Dr. Robbins argues?

A. No. While hypothesis testing is appropriate for some scientific studies, it is not always required or the best approach. For example, some scientific studies are designed to explore a subject more thoroughly without a formal hypothesis. Some disciplines are entirely based

on observations, and this does not make them obsolete or unscientific. Much of what we do in environmental science comes from observational research, such as water quality monitoring. The goal of these studies might be to make recommendations for future research, which was the case for the FAU-Harbor Branch (2016) study.

Q. Is the proposed septic-to-sewer project for the barrier islands misaligned with the sentiments of Charlotte County because of the lack of empirical evidence as claimed by Dr. Robbins?

A. No. The Charlotte County Board of County Commissioners passed Resolution # 2023-155 that strongly supported the septic-to-sewer conversion on the barrier islands. Despite the lack of a site-specific study on the barrier islands, it is reasonable to assume from the peer-reviewed scientific literature that the high densities of septic systems, shallow water tables, porous sandy soils and proximity to sensitive surface waters allow for pollution of groundwaters and nearby surface waters such as the impaired waters in Lemon Bay. Septic systems are a widespread and growing source of human waste pollution in Florida and have been recognized as such by Florida's Blue-Green Algae Task Force. The need to mitigate septic system pollution was officially recognized by the unanimous vote for passage of HB1379 in both the Florida House and Senate in 2023. The septic-to-sewer project for the barrier islands was identified as a priority in the Charlotte County Sewer Master Plan (2017). The opportunity for considerable State and Federal funding for septic-to-sewer projects currently exists and many communities in Florida have already secured millions of dollars in funding that make the cost to homeowners reasonable. It would be unfortunate if Charlotte County missed the opportunity for cost-sharing this major infrastructure upgrade for the barrier islands, as these funds may not be available in future years.

Q. Are you sponsoring any rebuttal exhibits?

A. Yes, I am sponsoring several exhibits. Cabaco et al., 2013, Brewton et al. 2022, Lapointe

et al. 2023, IFAS Fertilizer Report, Tyre et al. 2022.

Q. Does that conclude your rebuttal testimony?

A. Yes, it does.

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BY MR. FRIEDMAN:

Q Do you have a summary, Dr. Lapointe?

A Yes, I do.

So my summary is of the critique of my white paper, Science Supports a Septic-to-Sewer Conversion of Barrier Islands of Charlotte County, by Dr. Robert Robbins.

First, I pointed out that Dr. Robbins has no experience or peer-reviewed papers on septic tank research, harmful algal blooms like red tides, or seagrass ecology. Dr. Robbins received his Ph.D. in 2005 from the University of Miami in fisheries related research, and has no publications as lead author, including his own Ph.D. research.

Now, the way science advances is through the peer review and publication process. This is the currency of science. So, you know, if you are not doing it, you are not considered an expert in that field.

My papers, my research on these areas are reviewed by experts in the field, and I have been editor of the Journal Harmful Algae for many years, and we cover the topics of red tides, for example, a public health issue, as I know the residents on these barrier islands are familiar with.

But moving on, Dr. Robbins claimed there was

no empirical evidence from the barrier islands that support my opinions in the white paper, and this is not true. I actually surveyed the islands in December of 2023, got to see with my own eyes the layout of the island, very low elevations that occur on the island. The density of septic tanks on the island, in some areas up to 6.7 units per acre. And these observations, combined with decades of experiencing septic system pollution, and the scientific literature, as well as all the monitoring that has been done by Florida DEP, the Coastal Heartland NEP, which is available on their website, you can look at their seagrass fact sheets and water quality fact sheets to look at all the impairments of Lemon Bay and Gasparilla Bay for bacteria, mercury, nutrients, low dissolved oxygen, okay.

What I have learned over my decades of research, all these things are connected to nutrient pollution, and human waste, and in this case, from septic tanks, is the driving force, including red tides that wash along the shoreline of the barrier island.

The nitrogen, mostly in the form of ammonium, seeping out through groundwater discharge feeds that red tide. I published several papers on that from the Charlotte Harbor area, and those are included as exhibits.

I also rejected Robbins' criticism that a randomized design study using monitor wells is needed for a study of septic tank pollution. Such a design is really not appropriate for septic studies, which was pointed out in the Tetra-Tech study of the Spring Lakes area back in their 2013 report, and more recently in our report, our 2016 study.

So imagine this is a septic tank, and your drain field is there, and you have got random wells behind, you know, upgradient of the septic plume. The way septic tanks work, that effluent that is untreated is going out in a plume in the groundwater. So you really need to have the wells capturing the effect of the septic tank to really understand whether there is treatment or not. Otherwise, you are really looking more at reference wells if they are not in and around that septic plume.

I also rejected Dr. Robbins' claim that the three monitor wells we used specifically in this Harbor Branch study for looking at human tracers. This is something that had not been done before in Charlotte County. We used nitrogen isotopes to show that this was human waste, not fertilizers, and sucralose, the artificial sweetener. And we found clear evidence using those tracers that the nitrogen and this waste was

coming from septic effluent.

I rejected Robbins' claim that the FAU Harbor Branch study misrepresented the Tetra-Tech fecal coliform data to distort the risk of fecal pollution. Again, if you read the Harbor Branch study carefully, we --

CHAIRMAN GRAHAM: Dr. Lapointe, can I get you to wrap this up, please?

THE WITNESS: Sure -- several more data -- more years of data than the Tetra-Tech study.

So let me just close up by saying I finally rejected Dr. Robbins' claim that the project was misaligned with the sentiments of Charlotte County. The Commission passed their Resolution 2023-155 strongly supporting the project. And they have been touting the removal of septic tanks on the islands since at least 2002.

And I would just suggest that anyone that wants to see the science of the impairments and the seagrass loss, check out the Charlotte -- the CoastalHeartlandNEP.org website. It's all there. The science is there.

MR. FRIEDMAN: Dr. Lapointe is available for cross-examination.

CHAIRMAN GRAHAM: Thank you.

Little Gasparilla? No questions?

MS. CHARTIER-HOGANCAMP: No questions.

CHAIRMAN GRAHAM: Thank you.

Palm Island?

EXAMINATION

BY MR. KELSKY:

Q You heard the testimony earlier from Mr. Boyer that the barrier islands are occupied full-time by seven percent of the residents, correct?

A Yes, I did.

Q And there is nothing in the studies that you relied upon with that level of occupation, correct?

A Correct.

Q How often -- how long have you been working with Environmental Utilities?

A I think over a year, a-year-and-a-half maybe.

Q And they have paid you how much?

A I am not sure.

MR. BOYER: Too much. I am sorry.

BY MR. KELSKY:

Q Can you answer, please?

A I think 40,000.

MR. KELSKY: Thank you. I have nothing further.

EXAMINATION

BY MS. COTHERMAN:

Q My only question is you refer to the Coastal and Heartland National Estuary Partnership I think at one point. Did you include any of their findings and testing that they have on their website?

A I did. It's in my white paper --

Q Okay. Thank you.

A -- yeah, regarding the impairments and the seagrass loss.

Q But not the testing for nutrients on their dashboard?

A No. No.

MS. COTHERMAN: Okay. That's all.

CHAIRMAN GRAHAM: Staff?

MR. THOMPSON: Nothing from staff.

CHAIRMAN GRAHAM: Commissioners?

Redirect?

MR. FRIEDMAN: No redirect, and I ask him to be excused.

CHAIRMAN GRAHAM: Yes. Dr. Lapointe, thank you for your testimony.

THE WITNESS: Thank you.

(Witness excused.)

CHAIRMAN GRAHAM: Okay, Mr. Friedman.

MR. FRIEDMAN: Our next witness is John Cole.

Whereupon,

JONATHAN H. COLE

was recalled as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. FRIEDMAN:

Q Would you please state your name?

A Right. My name is Jonathan Cole.

Q And, Mr. Cole, did you prefile testimony in this case?

A Yes, I did.

Q And if I were to ask you the questions in your prefiled testimony, would your responses be the same?

A Yes, they would.

MR. FRIEDMAN: I would like to ask that Mr. Cole's testimony be inserted into the record as though read.

CHAIRMAN GRAHAM: We will insert Mr. Cole's prefiled rebuttal testimony into the record as though read.

(Whereupon, prefiled rebuttal testimony of Jonathan H. Cole was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC

Docket No. 20240032-SU

REBUTTAL TESTIMONY

OF

JONATHAN H. COLE, P.E.

on behalf of

Environmental Utilities, LLC

Q. What is the purpose of your Rebuttal Testimony.

A. The purpose of my Rebuttal Testimony is to address comments made by the witnesses for the Intervenors.

Q. Do you have any specific rebuttal to the "Principal Arguments in Opposition to the Proposed Application for Central Sewer" that was attached to Ms. Cotherman's testimony.

A. Yes. Exhibit JHC-5 addresses some of those matters.

Q. Do you have any comment to Jaden D. Hull's testimony regarding system costs?

A. Yes. The cost estimates have been updated based on a revised layout and recent unit prices. Please refer to Exhibit JHC-6 which is Addendum 1 dated November 20, 2024, to my earlier Report.

Q. Do you agree with witness Hull's use of 0.23 as the multiplier for the "Miscellaneous" line item costs?

A. No. Our 18% additional contractor costs were based on an average of several prior bids at that time. This same percentage has been utilized in our Addendum, Exhibit JHC-6. Unit prices for the amendment are based on an average rather than a low bid cost. Please refer to Exhibit JHC-6.

Q. Do you agree with witness Hull's use of a "markup" for materials and work as a result of the work being done on a bridgeless barrier island.

A. Based on input from Environmental Utilities, a cost markup for working on the island of an additional 10% markup has been added. This is reflected in JHC-6.

Q. Do you agree with witness Hull's comments about the cost of acquiring easements?

A. Easement calculations are set forth in Exhibit JHC-6 and reflect our estimate of the reasonable cost to acquire the necessary easements.

Q. Do you have any comments on witness Hull's testimony that this septic-to-sewer project

will cost in excess of $51 million?

A. Due to the nature of this proceeding, Environmental Utilities is compelled to use estimates. At this point all we can do is assume that inflation will be relatively stable closer to the FEDS official target of 2%. We are fortunate to have some recent similar bids with lower unit prices than the bids used in his analysis, albeit some are higher than our initial estimate. By using average bid prices rather than the low bid and if the project proceeds relatively soon, we believe the total cost should be more in line with our current estimates as set forth in Exhibit JHC-6.

Q. Are you sponsoring any rebuttal exhibits?

A. Yes, Exhibits JHC-5, and JHC-6 as referenced in my testimony.

Q. Does that conclude your rebuttal testimony?

A. Yes, it does.

BY MR. FRIEDMAN:

Q And would you provide a short summary, please?

A Yes.

Okay. My rebuttal testimony actually includes updated information really in response to questions by the intervenors, as well as to reflect some new realities that happened since we first filed to today, and that new reality has to do with the connection point at Cape Haze.

The crossing of that location intended to take all the sewage cross there through the State park and tie into a lift station that was proposed by Charlotte County. Well, that project has been postponed.

Now, as I mentioned earlier, the -- in the parent report that I did, what I included were the costs for the differential to determine which system would be most advantageous to use, a vacuum system or a low pressure. And it didn't include some costs that I wanted to clarify that, frankly, were brought up by Mr. Hull, which I thought he had some valid points.

So this addendum was developed to answer the two questions, well, if you can't use the State park crossing, and if Charlotte County is not going to build that lift station, how are you going to get across there? Well, there is an option, which is called option

one, that was in the bulk sewer agreement that was based upon a study that we did in 2019, that showed two potential options to get from the barrier island -- to get sewage from the barrier island over to the mainland, and option one did, in fact, show the two crossings that we are now suggesting.

Again, that's in the bulk sewer agreement, where it allowed EU to use either option. So because the first option was in question now. We said, okay, we better redo this to show two crossings rather than one.

The other thing we thought about and looked at was in the original report that we did, we were using the standard CCU, what's called a LPS, low pressure system. The low pressure system is basically you still have the septic tank, but there is no leach field, and you drop in an effluent pump. It only pumps effluent. In other words, the solid stays in the tank.

The problem with that system is that by only pumping the effluent and keeping the sewage in the tank, you still need to go out from time to time, maybe every five years, with a truck, pull those tanks out, or pull the sewage out of the tanks and get it over to the mainland.

So the other problem with it is that the low pressure pump is just what it says, it's low pressure.

Not very much pressure. So it needs a master pump station that takes the sewage from the house into the tank, and it pumps it at a low pressure to a master pump station.

Now, that master pump station that we assumed was going to be part of the Cape Haze project. That was going to be built by CCU. Well, when CCU and Charlotte County put that project on hold, we no longer had a master pump station to pump to.

So instead of using the low pressure system, we opted to use the grinder pump system. The grinder pump system is similar, in that there is a tank, it's kind of a vertical tank, and there is a pump in there, but it pumps it at a higher pressure head. So it doesn't need that repump that we lost with the Charlotte County.

The other thing it does is it pumps everything. It pumps anything you flush down the toilet, there is a macerator, there is a grinder, they take -- that's why it's called a grinder pump -- and it grinds it and it sends it through the network.

Now, both the low pressure system, LPS, and the grinder system are both considered pressure systems. So the network -- the pipe network in the street, if you will, doesn't change. It's still not a gravity system.

It's still not a vacuum system. So the fundamental system is still a pressure system.

In fact, I referenced the grinder system in the original 2021 report, it was actually part of my direct testimony where it said, can you compare Charlotte County Utilities step system to a proposed grinder system? I explained the differences.

I also used the grinder pump in what's called my operation and maintenance, where I suggested, oh, you pressure rebuild the pump every seven years, and that was brought up earlier on. So it was referenced not only in my original testimony, it was also referenced in the O&M costs, and it was also referenced in the spreadsheet prepared by Mr. Hull, professional engineer. If you look at line 13 on his cost estimate, he actually says the same thing. He says LPS or grinder. It's the same cost.

So we are not talking a different type of network in the street. We are only talking a thing that's in front of your house, okay. So that's what we suggested using. Let's use a grinder instead of the LPS. Other than that, there is not much difference. Same cost. Same network.

CHAIRMAN GRAHAM: Mr. Cole, I need you to wrap this up, please.

THE WITNESS: Okay. The other thing we did is we provided more accurate easement costs. That was brought up, so that's in the addendum. And we provided a better hydraulic model of the network itself, and that reduced some line sizes, which wiggle around some costs.

So the bottom line is our costs did go up, I think it was about 17.3 million, now it's up to about 20 million, 20-and-a-half million when all is said and done. So there were revisions as a result of responding to those -- that testimony.

CHAIRMAN GRAHAM: Thank you.

MR. FRIEDMAN: Mr. Cole is tendered for cross-examination.

CHAIRMAN GRAHAM: Thank you.

Little Gasparilla?

EXAMINATION

BY MS. CHARTIER-HOGANCAMP:

Q Now, Mr. Cole, you talked about how EU originally proposed a single forced main crossing through Don Pedro State Park, and now you are proposing two directional drills, is that correct?

A That is correct.

Q And what are the general locations of those crossings?

A Generally, one is at -- one is at the end of Panama in the north area for the Knight Island area, and the other one is down what's called Hideaway Bay Condominiums.

Q So the updated cost estimate that you submitted with your rebuttal testimony, Exhibit JHC-6, page 59, if you wouldn't mind turning to it.

A The page numbers look like that?

Q It looks like that, yes?

A The green one. Okay.

Q So does that page call out the cost for directional drill LGI to mainland tie-in, is that correct?

A Yes, it does. Let's me see if I can find it for you. Eight-inch directional drill, LGI to mainland tie-in, right.

Q Okay. So where is the cost in that spreadsheet for the second directional drill to Don Pedro and Knight Island?

A There is no directional drill from Don Pedro. Don Pedro is where the State park is in the middle. That's gone.

Q No, I am saying, where is the second directional drill that you are proposing?

A Let's see. I believe that's in the six-inch

HDPE pressure sewer main. That's 65 feet -- I mean, sorry, that 587 feet, just three lines up. So HDPE is high density polyethylene. It's the directional drill pipe.

Q And what cost do you have associated with that?

A I believe I had $65 a foot, if I am reading my stuff here right. And I have 300 a foot for the larger one, $300 per foot.

Q So you are saying that second line item captures the cost of the second directional drill even though it's not called out as a directional drill?

A Yeah, that's what I am saying. I believe so.

Q Okay. Can you turn to page six of that same exhibit?

A Okay.

Q And that diagram shows, I think it's in a red box, mainland transmission main funded by others, is that correct?

A I am on the wrong page. It looks like that?

Q Page six. I think that's it.

A Yes. Yes. That is another forced main that's contemplated that we are supposed to be tying into.

Q Okay. Who will be funding that?

A I don't know. It's not funded by us. I was

told not to include that in the funding, into my estimate.

Q Who gave you that information to not include that cost?

A EU.

Q Okay. Also on page six, it says the forced main is to connect to an existing manhole. Is the gravity sewer at that location sized for the additional flows that will be caused by this connection?

A Yeah. We were directed to tie into that manhole. That manhole is located -- the answer to your question is I believe it is. The County has a -- I believe it's Jones Edmunds that sizes their system, and they told us to connect to that main, so that was another kind of independent thing that we were told to do by CCU.

Q But you don't know whether or not it's sized appropriately?

A I did not size that.

Q If you could turn to page seven, please, which is the schematic layout for Little Gasparilla Island.

A Okay.

Q And there, it shows a connection to an existing stub-out. I have the same question. Is that sized to accept the additional flows from EU's proposal?

A Yes, it is.

Q Okay. And how did you confirm that one?

A We designed that one. We designed that stub-out recall. It's a 10-inch stub-out right there for it. And that was specifically installed for this connection, for future connection as part of the Placida Road project that we did for CCU.

Q Okay. Can you turn to page eight, please?

A I think I am off a page from you. What does it say? I think I am off one page. Is it this one here, easement schematic, about easements?

Q It's a text page for easement calculations.

A Okay.

Q I may be off a page. Give me just one moment.

A I have got it. I have got it.

CHAIRMAN GRAHAM: There is Bates numbers and there is numbers at the top that differ by one.

THE WITNESS: Yeah, That's it.

MR. FRIEDMAN: So what are we on?

BY MS. CHARTIER-HOGANCAMP:

Q It's page eight at the top. And then I am referring to the text that's the very bottom of the page. This is the page that's titled, Updated Cost Estimates.

A Okay. My page seven at the bottom, okay.

Q Yeah, page seven at the bottom. Page eight at the top.

A Okay.

Q So can you read for me at the very bottom, starting with the sentence that says: Work that is excluded?

A Yes. And the heading of this is the On-Lot Construction Costs.

So what I was saying here is that work that is excluded and will be the responsibility of the homeowner includes the installation of the four-inch sewer line from the house, sewer service lateral -- I will read it exactly.

Installation of the four-inch sewer service lateral line from the building and the electrical connection from the panel to the grinder pump station.

Q So what you are saying is that those don't appear anywhere in your estimate, and those will be solely the responsibility of the homeowner?

A Yes, which is normal, correct.

Q Okay. Do you know how much those costs will be?

A I don't have those costs, but again, that's -- as far as I know, all LPS and grinder systems have that same requirement. I don't know.

Q So this would be an additional cost to the homeowner that is not accounted for in your proposal?

A It would be. Yep.

Q If you could turn for page 11, and I believe the page reference is page 11 at the top.

A So it must be my 10.

Q It is, the page that's talking about easements.

A Oh, yeah. Yep.

Q So in that testimony, you applied a five-percent reduction to easement interest. And you have attached the Sherwood Valuation Matrix.

A Yes.

Q Do you agree that the Sherwood Valuation Matrix is authoritative on this issue?

A He seems to know what he's talking about, and it was referenced by Mr. Hull. I don't know about that exact one, but the same author was referenced in there. So I read through that, and I found that quote that he says he uses between zero and 10 percent, so I used an average of five-percent for that.

Q Okay. Can you turn to that Sherwood Valuation Matrix, which is attached to your prefiled rebuttal testimony? And it is on the very last page.

A Okay.

Q And can you look at that chart, and under zero to 10 percent, what does it say for potential types of easements?

A Okay. It says, so zero to 10 percent, nominal effect on the use and utility, small subsurface easement, which is what we are.

Q Okay. And in what percentage fee categories do water and sewer lines show up in this matrix?

A I would believe it's a small subsurface easement. It's a small diameter pipe. It's less than four inches.

Q Well, that's not responsive to my question. Which category's percentage of fee does -- do the words sewer line show up in?

A I am looking. Give me a second here. Ah, I see where you are going here. It says, in the 50-percent balance -- balance of use by the owner and easement holder, water and sewer lines, cable line and telecommunications, is this that where you are pointing to?

Q Well, I will read it for you.

Sewer lines can actually appear in the 50-percent, the 26- to 49-percent, or the 11- to 25-percent. Do you agree with that?

A That's what it says.

Q Okay. So why did you not apply one of the categories that captures the type of use as sewer line?

A The reason I didn't is because it's also a small diameter sewer line. It's not like a massive trunk line. It's not like a gravity sewer line, which is eight-inch. It's a small subsurface line, and it doesn't -- where we normally propose them is we try to use them on the side of property lines or in existing rights-of-ways, or sand-ways, whatever is out there. So we were trying to not impact the property that much.

There is other utilities out there. There could be water. There could be FPL. So the thought process was -- and there is a quote in there that I quoted, and I am sure you have it, where if it doesn't -- if it doesn't significantly degrade the use of the land, or if there is other utilities in there -- and I am paraphrasing here -- then you would use the zero to 10 percent.

Q So is it your contention that you will only be placing these sewer lines in existing easements that already have something such as water lines in them?

A This is what we try to do. I don't have a final design yet, but that's what we always try to do. We always try to put them in existing rights-of-ways, or we will look for what's called platted easements, if

there is any out there. So on ones that we have done thousands of them, we did the sewer out here as a matter of fact. So we try to do it in existing road right-of-ways, existing easements, or platted easements. And if that's not viable available, then we try to do it where it's the least impact. It's not always perfect, but, I mean, it's just common sense that you don't want to plow through the middle of peoples property with the collection system.

Q Now, once you place that sewer line that you are calling a small subsurface easement, would a property owner be able to place anything on top of that?

A Yeah, he could. Yeah. I mean, we have -- in rights-of-ways, just because we are in the right-of-way, for example, out there in 776, or on this access road, would have sewer lines out there we designed and installed the sewer here. Well, there is a roadway. There is water lines. There is electric lines. There is underground cable. So, yes, it's a shared -- it can be a shared easement. It's not -- it's not an exclusive easement just for our sewer line out here.

Q So let's say a homeowner puts a shed on top of your easement, what happens in the sewer line bursts and needs to be maintained at that location?

A Well, then there is a problem, obviously. We

would have to -- if the sewer line bursts, there is a problem anywhere, whether there is a shed there or not. If we have a main break out here, we have -- the utility company has to address it.

But, again, we try to put them in -- if we can, we try to put them along outside of those setbacks. Like, for example, a house are a shed, we would not -- we try to stay away from those zoning setbacks and keep them along the edge. That's what we normally do.

Q But you haven't been able to confirm that you will be able to do that in all situations here?

A There may be an instance where we cannot do that. I don't know. We don't have the final design yet. But this is what we strive to do, and what we have been doing for 35 years. We try to avoid a serious impact to the property. Sure. It's common sense.

Q But in reality, if a property owner has a loose a sewer line in that location, it is going to limit the use of their property because you need to maintain that line, correct?

A If they decide to build a building right on top of a utility line, then, yeah, that's true for electric, or water, or any line. That would be a true statement.

Q Or planting a tree?

A You could plant -- I don't know. I mean, it's not wise. If you want to plant a bunch of trees on top of utility lines, I suppose you could do it. It's not wise, though.

Q So it would impact the property owner's use of that easement?

A It could. Yeah, it could somewhat. Exactly. So it's a matter on order of magnitude. Does it reduce the property value by half? I don't think so. Just my opinion. Other opinions are it does reduce it by half, but I don't believe so.

I don't think it impacts the property as significantly as others are staying saying. I do think it impacts it somewhat, and it's borne out with that easement expert with the quote that I put in there.

Q Well, let's talk about orders of magnitude, then.

You applied a five-percent reduction in interest, which doesn't capture any of these categories for sewer lines. If you moved up to one of the sewer line categories, say 20 percent, then the reduction would be four times the calculation that you provided, is that right?

A That's -- if that's what the math is, yeah.

Q And same, if you move up to the 50 percent,

you would be off by an order of magnitude of 10 times, correct?

A That's -- yeah, that's what the math is, right, five to 50.

Q So that would -- instead of your current easement estimate, which I believe around $100,000 --

A I think it's 100 --

Q $115,000?

A $115,000, right. And that was based on the same mathematical formula that Mr. Hull used.

Q So if that were off by a factor of 10, you would have a much bigger number for your easements, is that correct?

A 10 times bigger, that's correct.

Q I just have one more line of questioning. We've -- I am sure you have been listening today, and we have talked a lot about this markup for work on a bridgeless barrier island. Have you heard all that testimony?

A Oh, yeah.

Q So in between your direct testimony and your rebuttal testimony, you did apply a markup for work on a bridgeless barrier island, is that correct?

A That is correct.

Q And what was that markup?

A I believe it was 10 percent -- well, actually it was 10 percent on the mainlines, there is two categories there. And there is also another line further down for -- remember I was talking about the septic tank, the step system and the grinder pumps? There is also one in there. So I think it was like 450, plus another 100,000, 550,000 for the barge and the access fees, I believe. I can look it up for you.

Q So in that 10 percent markup and then whatever other costs you included as separate line items, I just want to understand what's included in that. So you included transport of personnel daily by boat or barge in that markup?

A Yeah. It's a general markup for working on the island, as well as the barge fees, and the delays, and all that. So I say here, barrier island barge and access costs, percent of mainline installation, 10 percent, $466,000.

Q Okay.

A And I say under grinder -- on the on-lot costs further down, I have grinder lift stations, and then I have grinder lift station transportation. That's the cost to get them on the island. I have another $150,000. So the sum of those two is 600,000 plus, versus -- I think they had 14 million. So I said, oh,

my estimate would be about 600,000. Theirs is 14 million.

Q Okay. So can you confirm that you included the calculation of transport of daily personnel by boat or barge in that markup number?

A Yeah, I think so. It's a general catchall, uh-huh.

Q And did you include the time it will take workers to get to and from the island, and considering how that impacts your construction schedule and your daily work schedule in that markup?

A As a general statement, yes. Do I have backup calculations as far as man hour and delay time? No, I do not have that.

Q And did that markup contemplate transport of all materials and equipment by boat or barge in that number?

A Yes.

Q Okay. And did you take into consideration any weather or tide delays when barges can't travel?

A No, because you are going to have weather delays on any construction project, and it's usually blended into the average unit price. There is always rain days in the summer, so, no. And I don't think -- I don't know of any huge tidal impacts down here. Well,

maybe I'm wrong. I maybe I'm wrong.

As an average, I thought it was, like, about one-and-a-half foot. Now, obviously you can have storm surge and things like that, but you can have rainfall events and hurricanes on any construction project. And that's borne out with any average unit cost.

Q Are you familiar with the route that a barge would have to take to reach the islands in this case?

A I think so.

Q Have you taken it?

A Yeah. Yeah. To Palm Island? Yes, I have.

Q Have you ever encountered any problems with it?

A There is usually a line in the morning of cars, yeah. There is usually a little bit of wait.

Q Now, tell me this, could a barge moving heavy equipment or significant amounts of material be a more complicated endeavor than the daily barge of moving people?

A I would imagine it could be. If you are moving big excavators out there, or backhoes, or big mountains of pipe, I mean, it's going to consume the space of several passenger cars, I would think.

Q Would likely have a different draft on the barge, is that correct?

A It might have that too -- well, it depends on what the weight of the cars are, and, you know, you are displacing the volume of the cars. I don't know. I didn't do buoyancy calculation.

Q So it's your testimony that your 10-percent markup encompasses all of that, and is sufficient to upcharge your bid-based estimates from the mainland to work on the island?

A Yes.

MS. CHARTIER-HOGANCAMP: Thank you. No further questions.

CHAIRMAN GRAHAM: Okay. Let's take -- before we continue on --

MR. KELSKY: Two questions.

CHAIRMAN GRAHAM: I'm sorry.

MR. KELSKY: Two quesitons.

CHAIRMAN GRAHAM: Okay. Let's take your questions.

EXAMINATION

BY MR. KELSKY:

Q Did I understand your testimony, sir, to be that there is no need to go through Don Pedro Park at this point in time?

A If we go with -- yes, with this revised layout, instead of going through the State park, we

would not go through there. We would go up north and down south.

Q Are you familiar with the bulk sewer agreement that says: County acknowledges that before EU can carry out its obligations pursuant to this agreement, it must obtain certification from the Florida Public Service Commission and easements through Don Pedro Park?

A That would be for the -- the inference is, yes, for option two. I wrote the report for option two. They allowed either option one or option two. So that is a true statement. If we, obviously, are to go through the park, we need easements through it.

Q But that's not the plan right now, correct?

A Going through the park was the original plan, and tying into a future master pump station, which has now been postponed. So the current plan is to go in that same agreement with option one, which was also in that agreement, which was allowed by Charlotte County.

They recognize that it's got to be flexible in case something happens, so that's -- we are going with option one rather than option two at this time.

MR. KELSKY: I have nothing more.

CHAIRMAN GRAHAM: Ms. Cotherman?

EXAMINATION

BY MS. COTHERMAN:

Q I think I have just one question. We talked about easements and low diameter pipes, and it doesn't take up a lot of room. What about each chamber that has to have a six-foot deep hole and the bigger width of the chamber that needs to be dug on each property, and then with base put in, and concrete, packing, all of the other things that go into the Chamber, so that takes up a lot more space, doesn't it, than a small diameter pipe?

A Yeah, it does, but it takes -- it probably takes up less space than a septic tank. So if you have a septic tank on there, you could get -- that's what? Five by 10 feet, these chambers are 24 inches in diameter and how deep?

UNIDENDIFIED SPEAKER: Six feet.

THE WITNESS: Six feet deep, so that's less of a surface footprint, if you will. It's the size of this table, versus a septic tank. So -- but, yes, you are correct that takes up a larger area than an inch-and-a-quarter pipe, yes.

BY MS. COTHERMAN:

Q But that easement belongs to someone else. If have a septic tank on my property, I don't have to give an easement to anyone?

A That's correct. No, this assumes -- this

assumes -- I am sorry.

Q And the excavation for the pipe, what size would that be?

A Well, you have to dig a hole with a backhoe, six feet deep. You are probably going to need the area maybe the size of this floor area -- maybe 15 by 15, 10 by 10, for the construction only, but then once it's in, it's in. It's only the size of the table.

MS. COTHERMAN: Okay. Thank you thing.

CHAIRMAN GRAHAM: Staff?

MR. THOMPSON: Nothing from staff.

CHAIRMAN GRAHAM: Commissioners?

Redirect?

MR. FRIEDMAN: I only have one.

FURTHER EXAMINATION

BY MR. FRIEDMAN:

Q You -- the -- this is going back to the testimony about putting the sewer -- the line in a right-of-way for -- close to the property line. Would the impact of putting that line be any different than the impact of having a water line or electric line there?

A No, it would be the same. It's roughly the same size line. The water line might be bigger actually.

Q So if you have a water line and somebody builds a building over it and it breaks, you are going to have a problem?

A Right.

MR. FRIEDMAN: No further questions.

CHAIRMAN GRAHAM: Okay. Mr. Cole, thank you so very much for your testimony.

THE WITNESS: Thank you.

(Witness excused.)

CHAIRMAN GRAHAM: We are going to take a 10-minute break. I have three after 4:00, at 13 after 4:00, we will reconvene.

(Brief recess.)

CHAIRMAN GRAHAM: All right. Thank you so very much. We always, from time to time, like to take a break for our court reporter to rest her little fingers.

Let me tell you what's going to happen here. We are going to continue on with the rebuttal until we are finished. Whatever time that is. We are going to take about a half-an-hour break. And so if we get the chance to start the Service Hearing a little early, we will do that, especially for a lot of you guys who are looking to get on the ferry.

We will make an announcement again at six

o'clock just in cases there any elected officials here and we can officially start the Service Hearing. But once again, we will take a half-an-hour break after we finish the rebuttal, and then we will start the Service Hearing a little early, because there is really no sense for us to sit around waiting for six o'clock.

That all being said, we are -- Mr. Friedman, I think your next witness is --

MR. FRIEDMAN: He is already there.

CHAIRMAN GRAHAM: No?

Mr. Friedman.

MR. FRIEDMAN: Thank you.

Whereupon,

RANDY BELL

was recalled as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. FRIEDMAN:

Q Would you please state your name?

A Randy Bell.

Q And, Mr. Bell, did you cause to be filed rebuttal testimony in this case?

A Yes, sir.

Q And if were to ask you the questions in your rebuttal testimony, would your responses be the same?

A Yes, sir.

MR. FRIEDMAN: I ask that Mr. Bell's rebuttal testimony be admitted into the record as though read.

CHAIRMAN GRAHAM: We will put Mr. Bell's rebuttal -- we will put Mr. Bell's prefiled rebuttal testimony into the record as though read.

MR. FRIEDMAN: Thank you.

(Whereupon, prefiled rebuttal testimony of Randy Bell was inserted.)

D1-2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC

Docket No. 20240032-SU

REBUTTAL TESTIMONY

OF

RANDY BELL

on behalf of

Environmental Utilities, LLC

Q. What is the purpose of your Rebuttal Testimony.

A. The purpose of my Rebuttal Testimony is to address prefiled testimony filed by Intervenors.

Q. What are the risks of backups and overflows?

A. The EONE residential grinder pump station EU is proposing has a basin capacity of over 100 gallons. The operations are factory set at 14" (off) to 18" (on) from the bottom of the basin, providing adequate storage for short term power outages. The station also comes with a generator receptacle and auto-transfer switch to allow for the utility to pump out the basins as needed. Keep in mind the major sources of flow, the washer and dishwasher, don't work during power outages.

Q. Do you have any comments about sludge hardening and line bellies?

A. The system is designed and sized such that it scours and cleans itself daily. The design has been proven in over 55 years of pressure sewer systems and 900,000 installations around the world. The pressure mains will be HDPE and all thermally welded. Basically, there are no joints and there will be virtually one continuous pipe from beginning to end. The unique soil conditions of these islands which are prone to unstable soil conditions, and less conducive to soil compaction sound like there are more issues that will cause failure in the septic tanks and lateral fields.

Q. Are there any impacts of inconsistent occupancy?

A. The statement stating that grinder pumps are not optimal in areas that have highly fluctuating seasonal or part-time occupancy is a complete falsehood. The Florida Keys has highly fluctuating seasonal or part-time occupancy and has 4,000+ residential and commercial grinder pump stations for 10 years, Everglades City has highly fluctuating seasonal and part-time occupancy has 350 grinder pump stations for over 20 years Suwanee, Florida has highly fluctuating seasonal and part-time occupancy for over 25 years has 800+ grinder pump stations.

Q. Are these systems are prone to maintenance issues?

A. I won't speak about manufacturers other than EONE. AN EONE system is quite easy to maintain. The mains are self-cleaning. There is no preventative maintenance required or recommended on the EONE grinder pump station. There is no more homeowner education required for an EONE system than there is required for a septic system. See the Homeowners Guide to Septic Systems attached as Exhibit RB-4.

Q. Are there odor and corrosion issues?

A. One of the reasons the operational levels are kept shallow in the EONE grinder pumps is so the pump will cycle multiple times per day. This allows the biosolids to be removed and the smaller amount of sewage in the basin does not allow for the concentration of H2S. The materials used in the EONE station are corrosion resistant, i.e. cast iron, stainless steel, plastic and HDPE. The mains and appurtenances used in this system will be High Density Polyethlene. Because the terrain is virtually flat, there are no air release valves required.

Q. Are there special handling of slurry at the wastewater treatment facility?

A. Charlotte County has STEP systems as well as vacuum and gravity with lift stations and force mains. So there are already solids going to the WWTP.

Q. Are you sponsoring any rebuttal exhibits?

A. Yes, Exhibit RB-4 referenced in my testimony.

Q. Does that conclude your rebuttal testimony?

A. Yes, it does.

BY MR. FRIEDMAN:

Q And, Mr. Bell, would you give a brief summary of your rebuttal testimony?

A Yeah. As I said earlier, I am here to talk about the reliability of the old pressure sewer grinder pump system.

In my rebuttal testimony, there were only six questions, I think, that I got, and I think it might be easier just to go through those. And then if you have any questions, we can go from there.

The first question was: What are the risks of backups and overflows?

The EONE pump is designed to handle up to three days of storage if there is a power outage. I am going to use the Florida Keys, because I was in Irma, and everybody left, so there wasn't a big issue with overflows. But every alarm panel comes with a generator receptacle. It has an automatic transfer switch. If there is an extended power outage, the operating authorities provides a generator, and you go down the street, you plug them in, they turn on, they pump down, and then they turn off, and you go right down the street.

The other thing about that is during power outages, the biggest sources of flow do not work. You

are not going to do the laundry. You are not going to wash dishes. You can flush the toilet as many times as you want. That is based upon the operational levels in these basins. They are 24-inch diameter, they are six-foot tall, but the on/off levels are very low, and that's for a couple of reasons. We want that extra capacity, but we want the pumps to run. We want them to turn on multiple times a day. What that does, it evacuates the biosolids and the biomass out of the bottom of it. And for lack of a better description, it keeps the sewage fresh.

And so when we had Irma, all the stations in the lower keys were pumped out in the first day. Last year, when -- over in Martin County, not all of the stations lost power. We have a thousand grinder pumps in Martin County. They were tooled up. They went out. They pumped them down. Didn't have a single backup or overflow.

So the next question was: Do you have any comments about sludge hardening in the line bellies?

In grinder pumps, there is two times of pumps that are used in this application. One is the centrifugal pump. The other one is a progressive cavity pump.

EONE is the only manufacturer that's designed

for this specific application. They use a progressive cavity pump. It's a very high head. It can pump three-and-a-half to four miles by itself through an inch-and-a-quarter line.

This system is designed, and the mains are sized such that at least once a day, X number of those pumps will turn on simultaneously to meet a minimum scour velocity of two feet per second. Basically they are self-maintaining. They clean themselves every day.

Now, in an application like this, as in through most of Florida, we have such a transient population, that some of these may sit for weeks or months at a time without ever turning on. That's what they are designed to do. Because on the other end of the world, in the frozen tundra of the Great White North, in the wintertime, all those people come here.

EONE has tens of thousands of grinder pumps in the upper midwest, and so they sit for several months at a time until it's such a time to turn back on. So as far as sludge hardening in the bellies, the mains follow the terrain.

We use a high density polyethylene. They are terminally welded. There is no joints in this pipe. From the -- from where they start until they end is actually one piece of pipe. It follows the terrain,

it's buried at about 30 inches deep, where there is open trench to directionally drill, and so you will have bellies and high points and low points, but the EONE pump is designed such if you know anything about performance curves or operating heads, it's almost vertical. It will create whatever head is required to flush that line. The sole purpose is to take the sewage from the house and evacuate it, make it go a way.

Are there any impacts on inconsistent occupancy?

I discovered that, yes, they can sit for a long time. It's not a big deal. And I can equate that as to when we do in new subdivision, 400, 500 homes, they don't build all those homes in one day, but we size that system to meet that total build-out. And so over a period of time, you are going to have areas where the solids may settle out. We have a pump that will increase its capacity to clean that out.

Are these systems prone to maintenance issues?

I can't speak of any other manufacturers. I only know EONE. That's all I have done. It was designed by a group of engineers from General Electric. They came from their small appliance division 55 years ago. I knew all of them. The good news is they didn't know enough to screw it up. They built appliances.

They built washing machines and dishwashers, and amazingly enough, garbage disposals. It's designed to have no preventative maintenance. You plug it in and it works. That's it. I wish there was more to it. I wish it was higher tech, but it's not.

The odor control, or odor corrosion issues --

CHAIRMAN GRAHAM: Mr. Bell, just -- Mr. Bell, can I get you to wrap it up, your five minutes --

THE WITNESS: Oh, okay. That's -- we are good.

CHAIRMAN GRAHAM: Thank you.

Do you tender the witness?

MR. FRIEDMAN: I am -- I talk slowly. Yes, we tender the witness for cross-examination. Thank you.

CHAIRMAN GRAHAM: Okay. Little Gasparilla?

EXAMINATION

BY MS. CHARTIER-HOGANCAMP:

Q Good afternoon, Mr. Bell. Thank you. Hello.

A There we go.

Q Okay. What is the lifespan of the grinder pumps proposed for EU's system?

A The average mean time between service calls is about eight to 10 years. The average mean time between overhauls or replacements is about 15 to 20 years. And

these are designed to fix. They are designed to rebuild and put back in service.

Q Now, I am want to ask some clarification about the things that you just discussed. So you said that these things are designed where you want the pumps to run and keep the sewage fresh, and that keeps the system functioning well, right?

A Yes.

Q Okay. So -- but you have heard the testimony about the percentage of seasonal and vacation population on the island, suggesting that some of these would sit for months at a time?

A Yes.

Q How do you reconcile your statements that you want these pumps to run with the fact that they are going to be sedentary?

A Well, they are designed to operate that way. Now, we size this system basically for total build-out, which is 1,200 some odd lots, I believe, and I know that they are not all built. If somebody is gone for six months, what happens is when the water level rises, your pump turns on, but it's very shallow. There is not a lot of ba -- there is not a lot of sewage in the basins at all. And so it will still scour the lines. It will still do what it's supposed to do until such a time that

more people come back in.

And like in the wintertime, when we have more built-out, when we have more people here, they are going to work more every day. But the type of level controls that are used, the type of grinder assembly it is, the type of design it is, it will -- when the water level rises it will turn on.

Q And you would expect those water levels to rise even if there weren't occupants in several neighboring properties at a time?

A In the individual station?

Q Correct.

A Only if there is being water used from the house.

Q So the water levels wouldn't rise in those, and they wouldn't be processing, right?

A No.

Q So you mentioned -- so time to -- time of service, eight to 10 years; full service life, 15 to 20 years. Does that account for the salt exposure that Ms. Cotherman testified to?

A Unless the island goes under water and saltwater is introduced through the homes, there won't be any salt in the basins.

Q So you mentioned that the pumps have three

days of storage for power outage, is that correct?

A Yes.

Q Do you know how long the last power outage was on Little Gasparilla after the hurricane?

A No, I wasn't here. But I know how long it was in the Keys, but everybody was gone. And they didn't let people back in until the power was restored.

Q Well, you may be hearing some things in public comment about that later.

Can you just describe for me, in basic terms, the function of how the grinder pump works?

A The pump is completely self-contained. All the controls are in the pump. Now, with the type of level controls that are used, they are not flow switches like you would normally see in lift stations, if you are familiar with that. It's a trap column, diaphragm pressure switches, much like you find in the GE washing machine. What it is, is the sensing bells are always below the water level. As the water level rises, it compresses the air in the column closings the diaphragm space and the pump turns on. As the water level goes down, it reverses that process and the pump turns off.

Now, we have a high level alarm switch. Now, there is a start feature built into that. If the on/off switches fail for some reason, and the water level rises

to the alarm, the pump will still turn on and run from the alarm side until such a time that the switch can be replaced.

The biggest wear item in this pump is the rubber stater. It's the boot in the progressing cavity. That's the, like I said, biggest wear item. That is tested at a 100 PSI at 2,000 hours. That's the biggest wear item.

And what it is, as the water level rises, it draws up through the grinder, which is five-and-a-half inches in diameter. So anything that gets into that basin, it will grinds it, and it just takes the solids out and sends them away.

Q So as to the grinding process itself, you -- it takes any of the solids introduced into the system, whatever you flush, grinds it down into --

A A very fine slurry.

Q -- slurry, and then transports it from there, is that correct?

A Yes.

Q So are some of those processes that are occurring at the grinder at the resident's property similar to what would occur in a stormwater treatment facility for a normal vacuum system?

A A stormwater treatment facility?

Q So in a regular vacuum system, all of those solids would just get transferred as is --

A Correct.

Q -- correct? So here, some of that processing is happening on the front end on the resident's property, is that right?

A Yes. All of it is. It's all ground up before it leaves the basin.

Q So those are things that, in a traditional vacuum system, wouldn't occur on a resident's property, they would occur at a treatment facility?

A They would occur in the vacuum valve out in the street.

Q Okay. Last question. In terms of maintenance, if there is a line break or a leak, what unit or units have to be turned off in order to perform the maintenance on that?

A I would prefer that you not turn anything off.

Q So you leave all of the grinder systems running while you repair?

A Because this is -- again, it's polyethylene. It's very easy to repair. Now, it's very easy to break if you hit it with a backhoe or a hand grenade. But typically, if you plant a tree in it, which I wouldn't. The tree roots will wrap around the polyethylene before

it will break, but it's a matter -- a simple matter of cutting it, we use electrofusion welding companies, put them on, weld it in a matter of a minute and it's back on line. You don't have to go back up the line and turn off all the stations.

Q So nothing need to be turned off --

A No.

Q -- for maintenance repair?

MS. CHARTIER-HOGANCAMP: No further questions.

CHAIRMAN GRAHAM: Palm Island?

MR. KELSKY: No.

CHAIRMAN GRAHAM: Ms. Cotherman?

EXAMINATION

BY MS. COTHERMAN:

Q I guess I just wanted -- I wanted to ask about the generators and the generator plug-ins.

A Yes.

Q So is a generator, is it -- should everyone have a generator so it --

A No. I am going to use Martin County Utilities as an example. They own and maintain all of the grinder pumps. They have the generators. They have long extension cords, and they just park the truck in the street and pull the cord out, plug it into the generator receptacle on the side of the alarm panel and, like I

said, it has an auto transfer switch.

If the power should come back on while the generator is still plugged in, it will not transfer back over and back need into the house. It will wait until the pump turns down -- pumps down and turns off.

Q And where does it pump to?

A It pumps into the line, into the system.

Q Okay. All right. Thank you.

CHAIRMAN GRAHAM: Staff?

MR. THOMPSON: Nothing from staff.

CHAIRMAN GRAHAM: Commissioners?

Redirect?

MR. FRIEDMAN: I have just had one question.

FURTHER EXAMINATION

BY MR. FRIEDMAN:

Q Mr. Bell, you mentioned this situation in Martin County. How long does it take for the grinder pump to be pumped down with one of these generators you just talked about?

A Five to 10 minutes.

Q For each one?

A For each one.

Q And they just go down the street and --

A Yep.

MR. FRIEDMAN: Okay. No further questions.

Thank you.

CHAIRMAN GRAHAM: Okay. Mr. Bell, you are excused.

THE WITNESS: Thank you.

CHAIRMAN GRAHAM: Thank you for your testimony.

(Witness excused.)

Whereupon,

DEBORAH D. SWAIN

was recalled as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. FRIEDMAN:

Q Let me know when you are ready.

A I am ready.

Q Would your please state your name?

A Deborah Swain.

Q And, Ms. Swain, did you cause to be filed prefiled rebuttal testimony in this case?

A Yes, I did.

Q And if I were to ask you the questions in your rebuttal testimony, would your answers be the same?

A Yes, they would.

Q No changes or corrections?

A No corrections or changes.

MR. FRIEDMAN: I would ask that Ms. Swain's rebuttal testimony being admitted into the record as though read.

CHAIRMAN GRAHAM: We will enter Ms. Swain's prefiled rebuttal -- prefiled rebuttal testimony into the record as though read.

(Whereupon, prefiled rebuttal testimony of Deborah D. Swain was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC

Docket No. 20240032-SU

REBUTTAL TESTIMONY

OF

DEBORAH D. SWAIN

on behalf of

Environmental Utilities, LLC

Q. What is the purpose of your Rebuttal Testimony.

A. The purpose of my Rebuttal Testimony is to address portions certain intervenor witnesses' direct testimony.

Q. Which witnesses' testimony will be addressing?

A. I will address testimony of Intervenor witnesses Linda Cotherman and John Shaw.

First, I will address the testimony of Linda Cotherman.

Fair and equitable rates: Witness Cotherman first states that it is not possible to determine if the rates are fair and equitable because they are pro-forma and no documentation was provided. However, I would point out that since the facilities cannot be constructed until a certificate is approved by the FPSC, all costs in the application are estimates. However, the basis for all of the estimates was provided by the utility witnesses. Furthermore, the full range of costs was included, based upon available information at the time of filing. I have prepared the financial application in support of the initial rates for many new certificate applications, and this application was consistent with respect to the level of information provided in my other applications.

Analysis of the Application:

Part II B. Financial Ability

- Witness Cotherman testifies that Exhibit B-1 does not appear to fill the requirement. Exhibit B-1 provides the level of detail available for a utility first applying to the FPSC for a new certificate. At that point, it typically has no activity other than organizational. Furthermore, Schedule 2 provides a detailed proforma balance sheet, Schedule 3 B provides a detailed proforma expense statement, and Schedule 7 (Support) Page 1 provides a proforma statement of net operating income.
- Witness Cotherman testifies that Exhibit B-2 does not list all the entities providing funding, and criticizes that the prospective funding is contingent upon obtaining an FPSC certificate.

This is typical for a utility first applying for a new certificate, and exhibit B-2 serves to show that financing is available when and if needed.

Part II F. Proposed Tariff, Exhibit "F"

- Witness Cotherman claims that the rates and tariffs do not properly reflect the cost of materials. The rates and tariffs are based upon the utility engineer's estimate of probably construction cost at the time of the application. There is no benefit to the utility nor its consulting engineer to underestimate costs. On the contrary, this could leave the utility in position of significant cash flow losses, which would be detrimental to the owners.
- Witness Cotherman claims that the documentation was not presented as to how the sewerage flows would be measured for billing. However, Schedule No. 3B and Schedule 7 (Support) page 2 shows an amount for contract billing. The utility will contract with the private water utilities to add the wastewater billing to the water bills. I estimated a cost of $2.00 per bill per month (plus inflation) for this service. As is customary with wastewater utilities, the proposed rates are based on water usage. Wastewater utilities do not install separate meters to read sewerage flow.
- Witness Cotherman describes "discrepancies" among witnesses and regulations pertaining to ERCs and GPD per ERC. The definition of an ERC is commonly different for varying purposes. For the purposes of design capacity, the gallons per day for each ERC are based upon sewerage flows. For rates, the ERCs are based upon billable water gallons, not wastewater flows. The gallons per day I used were a blended average of the customer usage billed by private water utilities for the prospective customers of the new wastewater utility. The estimated cost of wastewater treatment purchased is 90% of water use, anticipating that 90% of water used will be returned to the wastewater treatment plan.

Q. Please provide your comments regarding the direct testimony of Witness John Shaw.

A. Witness Shaw describes what he characterizes as "deficiencies" in certain of the schedules

in Exhibit DDS-1.

Schedule 1B -

- Item 6 Collecting system – Witness Shaw appears to be testifying that the cost should be updated to the Intervenor's estimated cost. The cost I used is based upon estimates by Giffels-Webster Engineers, Inc., and includes overhead and inflation allowances.
- Item 14 Pumping system – Witness Shaw is incorrectly calculated the cost at 100% of customers connected rather than 80% as required for the determination of rates. He also incorrectly claims that abandoning the septic tank, and general conditions, and markup for construction on a barrier island were excluded. Regarding abandoning the septic tanks, the Technical Memorandum prepared by. includes the cost o per lot to crush and fill the existing the septic tanks, which is included in Pumping Equipment in DDS-1 and includes a provision for overheads The costs do not require additional costs for construction on a barrier island as the base costs contemplated the construction conditions.

Schedule 3B -

- Witness Shaw testifies that the average cost excludes the cost of conveyance by the County, the cost of wastewater treatment by the County, and the cost of disposal by the County. However, the line on that schedule titled "Purchased Wastewater Treatment" includes all the costs from the County per the Bulk Service agreement.

Schedule 4B –

- Witness Shaw identifies a discrepancy between the GWE report (1251) and the cited schedule (1248). The apparent discrepancy is simply a factor of updated estimates as the financial information was prepared. Since the rates are based

upon the year 80% capacity is reached, and many of the costs are calculated on a per customer basis, the .2% discrepancy becomes even more de minimus.

- Witness Shaw calculates a per connection cost based upon the Intervenor's determination of construction cost. Even if the cost should be updated as the Intervenor's claim, the service availability charge Witness Shaw calculates is over-simplified, does not follow the FPSC methodology, and does not comply with Chapter 25-30.580 F.A.C., Guidelines for Designing Service Availability Policy.

Schedule 5 -

- Witness Shaw seems to be claiming that the fee for the installation of sewer laterals should reflect the Intervenors' higher construction cost. The fee on Schedule 5 is the Utility's estimated cost, plus overhead.

Schedule 7 -

- Witness Shaw testifies that the utility's calculation of average monthly bill excludes purchased services from the County. As I explained above, these costs are included. The County's average bill to their customers is irrelevant, as the charge they propose to the Utility is based upon a bulk agreement.

DDS 1, page 11 of 21 -

- Witness Shaw testifies the LPS tank installation should be depreciated over 7 years, rather than the 18 years prescribed by the FPSC, Chapter 25.30-140 F.A.C., Depreciation.

Q. Are you sponsoring any rebuttal exhibits?

A. Yes, I have revised my Exhibit DDS-1, and have attached it here as Exhibit DDS-2. The revisions were based upon several factors. Utility Witness Jon Cole has revised some of the construction costs. Furthermore, while reviewing all costs during the preparation of my rebuttal

testimony, I determined that the starting date for connections should be changed from 2025 to 2027, and the starting number of connections should be 810 instead of 860, largely as a result of the impact of Hurricane Ian in 2022. This changed the date that 80% capacity was reached from 2034 to 2038. As a result, four additional years of inflation were appropriate for most categories of expenses.

Q. What impact do these revisions have?

A. The requested rates have changed very little, but the impact fee requested has increased due to the increase in cost for the force main construction. These revised amounts are included in my Exhibit DDS-2.

Q. Does that conclude your rebuttal testimony?

A. Yes, it does.

BY MR. FRIEDMAN:

Q And, Ms. Swain, do you have a brief summary?

A Yes.

Q Thank you.

A The purpose of my rebuttal testimony is to present information to refute certain calculations and conclusions by intervenor witnesses Linda Cotherman and John Shaw.

Witness Cotherman claims that the application fails to meet the filing requirements with respect to financial statements and funding sources. The schedules that I filed are typical with the initial filing for a new utility with no operating or construction activity at the time of the filing.

Witness Cotherman also claims that the tariffed rights do not reflect the true cost of materials. However, the costs that I used in the Exhibit DDS-1 attached to my prefiled direct testimony include engineering estimates and costs at the time of the filing, which is typical of an original certificate filing where the utility facilities have not been constructed.

However, as engineering plans become more defined, John Cole updated construction costs, and I incorporated those updated costs into the financial

exhibit, along with an updated build-out schedule. These updated schedules are included in my Exhibit DDS-2, which resulted in a slight decrease in the monthly water rates, and a slight increase in the connection charges.

Witness Cotherman also points out what she characterizes as discrepancies in the numbers of gallons per day per equivalent residential connection for various purposes. This is because billing is based on estimated gallons of water used for billing, and engineers use a different basis for design and -- for different utilities, and have different gallons per day per ERC based upon specific demand characteristics of its customer base.

Similarly, witness Shaw takes issue with certain construction and operating costs. However, the costs included in DDS-2 incorporate the most up-to-date costs available from EU's engineers.

It's our goal to have rates and charges established in this proceeding which allow the utility to generate adequate income to fully fund the utility and provide a fair rate of return to the owners. The manner in which I have done this is consistent with PSC rulemaking principles.

MR. FRIEDMAN: Ms. Swain is available for

cross-examination.

CHAIRMAN GRAHAM: Okay. Little Gasparilla?

MR. VOLPE: Thank you. Did we replace this one? We will get it straight.

Thank you, Mr. Chair.

EXAMINATION

BY MR. VOLPE:

Q Ms. Swain, we spoke earlier about DDS-1 and where your costs came from. DDS-2 is your rebuttal report, and that's CEL-39 for the record.

You mentioned earlier that you obtained all your cost information from EU and from GWE. Is that the same for DDS-2?

A Yes, it is.

Q Okay. So I -- just quickly, if you don't mind, pulling up DDS-2, and I want to look at the schedule, it's titled Schedule 1B Support, Schedule C in parenthesis. It's page 11 of 20 on DDS-2.

A Okay.

Q Is this the breakdown of your cost estimates?

A Yes, it is.

Q And can you confirm that all of the numbers in this came from either Environmental Utilities or GWE?

A Yes. I did make adjustments to some of EU's numbers, Mr. Cole's numbers. The dollar amounts that I

received from him are in today's dollars, which he estimated would still be appropriate in 2025 when hopefully construction would start. However, there are some facilities that go in over a period of time, so I adjusted those for inflation.

And similarly, because the build-out period is so long, some facilities reached the end of their useful lives and have to be replaced, so I added inflation into the replacement costs, but all the base costs are as I was provided.

Q Okay. So your adjustments were for inflation but not adjustments to any inputs?

A Correct.

Q Okay. So is it your testimony, or the results of your analysis would be based on or only as good as the inputs that you were given?

A Well, the analysis is exceptional. The number, of course, it relies on numbers from other professionals that were used for this. So if there is adjustments based on new information, as what happened between DDS-1 and DDS-2, then those numbers would flow into the schedules and new financial results would be determined.

Q Understood. I am not questioning your numbers there, but the -- because you didn't -- you said you did

not make any adjustments to the inputs that you were given, is that correct?

A Other than those that I told you about, that's correct.

Q Okay. So you didn't have any questions or corrections to the numbers that you were given?

A There was a lot of discussion. It wasn't done in a vacuum -- not intended to be a pun -- but there was a lot of discussion, but I relied on Mr. Cole predominantly for the changes between DDS-1 and DDS-2, and relied on his professional judgment.

Q Okay. Thank you. Just a few more questions.

Based on your calculations in DDS-2, what is the total cost to each customer who will pay for this system?

A Okay. I have that the -- based on DDS-2, the average monthly bill for sewer usage is -- would be $155.65. And the average -- excuse me, the connection fee would be $15,587 for the impact fee, and $1,414 for the lateral fee.

Q So that would be 15,587 for the connection fee, and an additional -- an additional 1,414 for the lateral fee?

A Correct.

Q Does that connection fee include TAP fees paid

to Charlotte County?

A No.

Q What would the TAP fees paid to Charlotte County be?

A I do not know what Charlotte County's TAP fees are. Those are not part of this cost.

Q Would the individual resident or homeowner have to pay those TAP fees when they connected?

A I'm -- it's been a while since I have read the agreement, but if there is any additional fees there, it would not be paid by the utility.

Q When you mentioned the agreement, are you talking about the bulk sewer agreement?

A Yes.

Q Okay. So if there were additional fees, it would be in relation to -- it would be charged by Charlotte County through that bulk sewer agreement?

A I don't know of any other agreements.

Q Okay.

A I think Mr. Boyer would be the witness to ask.

Q You did say that this -- that your number includes -- the connection fee includes -- or I am sorry, does not include the lateral fee. That's an additional fee?

A Correct.

Q Okay. Does that include -- does your connection fee include the four-inch sewer service lateral line that runs from the residence?

A No, only the utility costs are used to develop the impact fee.

Q And I think we have already established, but I ask you, does that include the electrical connection from the panel to the grinder pump?

A No cost that is borne by someone other than the utility are included in my numbers.

Q Okay. Are you aware whether or not the TAP fees would be borne by the utility or whether that would be paid by an individual customer?

A Mr. Boyer is the one to ask. But if the TAP fees were to be borne by the utility, I would have had that included as an intangible asset of the utility and I do not, so I presume there either isn't one or somebody else is paying it.

Q Okay. Thank you.

MR. VOLPE: No further questions.

CHAIRMAN GRAHAM: Palm Island?

MR. KELSKY: I don't have any questions.

MS. COTHERMAN: No.

MR. THOMPSON: Nothing from staff.

CHAIRMAN GRAHAM: Commissioner Clark?

COMMISSIONER CLARK: Yeah, I just have one question, Ms. Swain.

You are not aware of the impact fee, but isn't it in your exhibit, I think I am looking at the right one, you quote the Charlotte County impact fee of $2,251.

THE WITNESS: In my rebuttal testimony?

COMMISSIONER CLARK: Exhibit No. 39, here -- let me just read.

THE WITNESS: Point it to me. I am sorry.

COMMISSIONER CLARK: Yes, I am in Swain DDS-2, PSC Exhibit No. 39, Master D-5-282. It's just got Charlotte County impact fee 22 -- $2,251 in there.

THE WITNESS: Okay. I'm sorry, tell me what page that is again.

COMMISSIONER CLARK: 16 of 20.

THE WITNESS: Okay.

COMMISSIONER CLARK: Master D5-282.

THE WITNESS: I appreciate you reading this better than I did. All right. Page 16 of 21. I have --

COMMISSIONER CLARK: It's under CIAC.

THE WITNESS: -- on-site lateral connection. And that's the -- I am sorry, I don't see it. Can my attorney point it out to me?

CHAIRMAN GRAHAM: Staff has got a copy for you.

THE WITNESS: Oh, staff has got it, okay. Page -- isn't that 16?

MR. THOMPSON: No, that's DDS-1.

THE WITNESS: Oh, excuse me. That explains it. Okay, point it out to me.

Well -- yeah, I apologize. My recollection was incorrect, and I appreciate the correction. So yes, I do. I do have $2,251. Thank you.

COMMISSIONER CLARK: And that's a fee that the customer would pay directly to the County in this case, the way --

THE WITNESS: Yeah.

COMMISSIONER CLARK: -- the calculation -- your lawyer is over there shaking his head, that's why I am asking you specifically who pays the 2,251?

THE WITNESS: I would -- I would defer that to Mr. Boyer --

COMMISSIONER CLARK: Okay.

THE WITNESS: -- how exactly that is paid and the --

COMMISSIONER CLARK: You show it in this calculation.

THE WITNESS: Yes, I do.

COMMISSIONER CLARK: How is it -- it doesn't appear to be a cost calculation. It just appears to be a random number that's just kind of popped in a spreadsheet.

THE WITNESS: This is probably something that was provided when I did DDS-1. And when I did DDS-2, to tell you the truth, I did not confirm or verify that a number is the same. So if it's changed, that would have to be corrected.

COMMISSIONER CLARK: Thank you.

THE WITNESS: Thank you.

CHAIRMAN GRAHAM: Little Gasparilla, she changed her answer, do you have ay --

MR. VOLPE: I do have a follow-up.

CHAIRMAN GRAHAM: Yes, please. No.

BY MR. VOLPE:

Q So -- and thank you for pointing that out. Now I see where that's located.

It says just above that, the 15,587, which I believe you referenced earlier.

A Right.

Q And then you mentioned a few lines down, there is the lateral install fee of 14 -- 1,414, and then the Charlotte County impact fee of 28,251. So all three of

those together, that would be the total cost of to the customer of the connection?

A Yes, that's correct.

Q Okay. Thank you.

MR. VOLPE: No further questions.

CHAIRMAN GRAHAM: Mr. Friedman, redirect?

MR. FRIEDMAN: No.

CHAIRMAN GRAHAM: No redirect?

Ms. Swain, thank you very much for your testimony.

THE WITNESS: Thank you.

(Witness excused.)

CHAIRMAN GRAHAM: Mr. Friedman, your last witness.

Whereupon,

JOHN R. BOYER

was recalled as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. FRIEDMAN:

Q Would you please state your name?

A John R. Jack Boyer.

Q And, Mr. Boyer, did you prepare prefiled rebuttal testimony in this matter?

A Yes, sir, I did.

Q And if I were to ask you the questions in your prefiled rebuttal testimony, would your answers be the same?

A Yes, sir.

MR. FRIEDMAN: I would ask that Mr. Boyer's testimony be admitted in the record as though read.

CHAIRMAN GRAHAM: We will enter his rebuttal testimony into the record as though read.

(Whereupon, prefiled rebuttal testimony of John R. Boyer was inserted.)

D2-7

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC

Docket No. 20240032-SU

REBUTTAL TESTIMONY

OF

John R. Boyer

on behalf of

Environmental Utilities, LLC

Q. What is the purpose of your Rebuttal Testimony.

A. The purpose of my Rebuttal Testimony is to address Ms. Cotherman's comments.

Q. Do you have any comments to Ms. Cotherman's "Principal Arguments in Opposition to the Proposed Application for Central Sewer".

A. Yes, since she presented her testimony in the form of a memorandum, I have prepared Exhibit JRB-4 with responses to some of those comments. Other comments are being addressed by other witnesses.

Q. Are you sponsoring any rebuttal exhibits?

A. Yes, I am sponsoring JRB-4, JRB-5 and JRB-6 as referenced in my testimony

Q. Does that conclude your rebuttal testimony?

A. Yes, it does.

BY MR. FRIEDMAN:

Q Mr. Boyer, do you have a brief summary of your rebuttal testimony?

A Yes, sir. Commissioners, I apologize for speaking out earlier, just I apologize.

The difference in between the last application that we did and this one, there are big differences, okay. First we got 100 percent of the Charlotte County Commissioners report, okay. And we did that through a resolution just in case they couldn't make it here to show their support. The bulk serve agreement, the whole deal. Charlotte County is onboard. They want to see this happen now.

The Coastal Heartland National Estuary program, that's the science behind it. That has been funded and has been around for years. I didn't know where the information was, so I neglected in that.

Request for service, we have many requests for service. We have developers request for service. So we have filled all of that out. The topic that's taking place here is a question about money, okay. It always gets down to the money.

We were blessed, after the storm, to have a representative come out to the island, and he toured the island with us, and he sees the devastation that has

taken place. And if there was an opportune time to turn around and get this in rapidly, it could save the islanders millions of dollars.

He goes, Jack, what do you need to get it done? I said $10 million. He said, would you take five? I said, well, yes, sir, I would take five, okay. He goes, well, we need to get all the parties together. And so we tried to get the parties of opposition together, okay. We got with the Charlotte County administrators. We got with the lawyers. We got everybody in the room. We talked 45 minutes about turtle eggs, and that's as far as we got.

So, yes, if we can get a certificated service area, yes, I will be going back to the state representatives and asking for help, and asking the islanders to come together, if given a certificated service area, so we can expedite it. The possibility of the Governor signing off and expediting permits would help us tremendously.

People are fixing to spend thousands and thousands of dollars in repair only if a certificated service area then turns around and comes out, and then they are going to have to pay it again. There are many people right now just digging out their septic tank, putting a piece of plywood over it and letting it drain.

We got many a pictures of it.

Your question on the 2,251, and the question on the -- how that mainland access is going to be paid for. That's 1.4 million that's going to go -- that the utility has to install. We would get reimbursed on the 2,251 when the customer comes back. And that's in the bulk sewer agreement, okay, Section D -- 5D in the bulk sewer agreement. And it shows how -- when the customer pays us the 2,251, that we don't have to pay the County back, okay. So it becomes part of the utilized of the utility's cash flow as we construct.

I think I have rambled on enough, but I will be glad to answer any questions there are.

MR. FRIEDMAN: We tender Mr. Boyer for cross-examination.

CHAIRMAN GRAHAM: Thank you.

Little Gasparilla?

MR. VOLPE: Thank you.

EXAMINATION

BY MR. VOLPE:

Q Thank you, Mr. Boyer.

First, you mentioned the meeting with the representative -- Representative Nix, I believe it was, and I didn't see that in your rebuttal testimony, but I appreciate you bringing that up. A few of us were

invited to that meeting. Did the representative not tell us at the meeting that expediting permitting was not allowed?

A No, sir, I didn't hear that, because we talked about that even past that, that we couldn't proceed forward because we could not come to an agreement and allow to petition the Public Service Commission to give us a certificated service area, so the conversation was basically over. But if awarded a certificated service area, then, yes, we could go back there. And, yes, the Governor has that authority and power, just like he did on Sanibel bridge.

Q Was there any discussion at that meeting about the Governor's power for expedited --

A Maybe not at that meeting, but I had that conversation with him.

Q Okay. Did Representative Nix not tell us at that meeting that appropriations were not available this session because you would not be ready in time?

A Absolutely. The reason being that we finally got to that timeline, was that he would not have time to write it up in January for it to be ready for session, and so now -- and we are 60 days out from getting it in.

Q Understood.

I do want to ask you, you mentioned the 1.4

million, you mentioned Section 5D of the bulk sewer agreement. And this actually -- I believe you heard Mr. Cole testify earlier to Ms. Charier-Hogancamp's questions about the mainland transmission line to be funded by others, which is in his report --

A Yes, sir.

Q -- JHC-6?

A Yes, sir.

Q Is that all related, is that --

A Yes, sir. That's the D4, and it attributes how many credits -- we will get 650, approximately, credits toward connection fees.

Q So I just want to make sure that we are all -- we are clear on the same portion of 5D.

So the way that would work is that -- I believe that that section it's in the bulk sewer agreement, DW-2 is the exhibit. On page five, it states that the County shall issue TAP fee credits to EU for construction of the transmission line described in Section 4B. TAP fee credits shall be provided on a dollar for dollar basis based on the actual documented construction costs as approved by the County, and calculated at a rate in effect when the connection is made. If the amount of TAP fee credits is insufficient for the existing developed property that will be

connected, EU shall pay the difference to the County within 365 days of FDEP's issue of permit to operate -- I apologize for stumbling over that. And does that correctly state what page five D says?

A Yes, sir.

Q So the -- it's not a reimbursement, is that correct?

A It's a credit. Yes, sir. They are basically paying for the line, but we have to install it to their quality and control and their desire. So if our engineer says, hey, a six-inch line works, and they choose to have a 10-inch, we have to put the 10-inch in, but they are paying for it through the credits.

Q They issue credits to EU for future TAP fees?

A Yes, sir.

Q But they do not pay anything to EU?

A Not -- no, sir. The TAP --

Q The credits mean --

A -- the TAP fees will pay for the entirety in the line. That's the reason we didn't put it in the overall budget, because it was going to be a wash.

Q When a customer pays a TAP fee, that then is deducted from that credit line --

A Yes, sir.

Q -- with the County?

A Yes, sir.

Q Okay. But the TAP -- so the TAP fees would go to EU over time instead of going to the County?

A Yes, sir.

Q And then if there were TAP fees in and above -- above and beyond that credit amount, EU would then pay those to the County?

A It's not going to work that way. The cost of the line is going to be less than the amount of TAP fees that we are going to have connect. There is 810 existing homes out there. Multiply that out --

Q That's what I mean --

A 7 million.

Q I think we are saying the same -- we might be saying the same thing.

A Yes, sir.

Q So those TAP fees --

A It should wash.

Q Above and beyond the cost of that line?

A Yes. The County is it paying for that. It's sort of like if we had built and designed a wastewater treatment facility to handle the 418,000 gallons, Wharton-Smith estimated that at about 11 million. When we are done here, the County has done us a great service and allowed us to connect much leses expensive. They

are a player in this.

Q How much would that line cost?

A 1.4 is our estimate right now.

Q And that includes the designing and the permitting?

A Yes, sir.

Q Okay. And how long would that take for those TAP fees to cover that credit?

A If we -- if we are given a certificated service area, once the lines are constructed, we have 12 months before customers have to connect. So it's a 12-month carry.

Q Okay.

A And then that's a wash. So it's the cost of money for 12 months.

Q So should that not be included in your initial budget since you are paying for that line --

A It's going to be down to timing and cash flow, okay. And I did discuss this with Ms. Swain, and because it's a wash, she didn't want to put it into the -- this original filing. It's pretty much a wash.

Q It's a wash -- I guess essentially over time, you know, at some point it becomes a wash, once you have connected enough TAP fees to cover that credit, is that correct?

A Yes, sir.
Q But that could take months or years?
A It will take approximately a year.
Q It would take approximately a year --
A Yes.
Q -- from when you are issued --
A From the time it's a go --
Q -- from when you are issued the permit to operate from the FDEP --
A Yes.
Q -- to collect all of those TAP fees?
A If every customer waits to the legal limit to connect, yes, sir.
Q Okay.
A There will be some that will connect.
Q I just have a few more questions.
I believe it's been testified to a few times about the seven percent of the island being full-time residents, and I think there was a statement about the majority are rental homes. Where did those numbers come from?
A They are easy to calculate. We sat down and calculated and counted among VRBO, the rental programs that are offered out there, the full-time residents that exist. You can go through and count them, and we spent

many hours doing that.

Q You said you, who did?

A My wife, myself and my team.

Q Okay. So that came from you to the --

A Yes, sir.

Q Okay. Thank you.

I think there was a little bit of discrepancy back and forth between the -- throughout the application process. How many ERCs are proposed?

A 1,248.

Q That is the final number?

A Yes, sir.

Q Okay. And how many initially would be --

A There is 810 existing. We had 33 homes wiped now in the storm, okay, we did not deduct those, because over the three-year process, we expect a percentage of those to be rebuilt.

Q Do you have a -- do you know what your estimate is over the three-year process?

A Generally, on the water, it has been historically 10 to 17 homes that are added in a normal year. This is not a normal year. That will be for Little Gasparilla. There is another 10 to 15 that can take place with new construction on Palm Island in a good year. So that's the normal growth that would take

place. But again, this storm has everybody on alarm.

Q So that's where you base that --

A That was pre-storm on the 20 to 22, I think, that we would add on per year, and then the 33 -- or the 30 that are gone, we expect them to grow back within the first three years, which would be the construction and a year after.

MR. VOLPE: No further questions.

CHAIRMAN GRAHAM: Palm Island?

EXAMINATION

BY MR. KELSKY:

Q Just quickly doing the math, is the number that you are looking to collect from each ERC 19,252?

A That's real close. Yes, sir.

Q And then you said there were 1,228 ERCs?

A 1,248.

Q 1,248?

A Yes, sir.

Q Okay. So somewhere around $23.7 million total?

A Yes, sir. That's what was budgeted.

Q Thank you.

EXAMINATION

BY MS. COTHERMAN:

Q I was just having a hard time following one of

the lines, and I was wondering where the 1.4 million came from. If that's the transmission line that's going down Panama and eventually through Rotunda plant to the main well?

A Yes, sir.

Q Because Jonathan Cole said he did not -- did that figure -- he did not provide that figure, because in his plans, it was to be paid by others. So I wondered where the 1.4 million came from?

A He did not provide those figures to Deborah Swain for the process of the financial analysis. He provided them to me, and we went over them many a time, because that's a budgetary item. But whether it's 100,000 this way or 100,000 that way, it still gets paid.

MS. COTHERMAN: Thank you.

CHAIRMAN GRAHAM: Staff?

MR. THOMPSON: Nothing from staff.

CHAIRMAN GRAHAM: Commissioners?

Redirect?

MR. FRIEDMAN: I do have a couple.

FURTHER EXAMINATION

BY MR. FRIEDMAN:

Q Mr. Boyer, who is going to own the interconnect line that EU is getting credit of

constructing?

A The County will own it.

Q So is it not included in the financial analysis because you are not going to own it as an asset?

A That's correct, sir.

MR. FRIEDMAN: I have no further questions.

CHAIRMAN GRAHAM: Okay. Mr. Boyer, you are excused.

THE WITNESS: Thank you, sir.

(Witness excused.)

MR. FRIEDMAN: And that concludes the rest of our testimony.

CHAIRMAN GRAHAM: Okay. Other matters. Do any of the parties wish to file post-hearing briefs?

MR. FRIEDMAN: Yes.

MR. VOLPE: Yes.

CHAIRMAN GRAHAM: I got to ask the question.

MR. DOSE: Staff notes that per the Order Establishing Procedure, post-hearing briefs are due on February 28th, 2025, and shall not exceed 40 pages.

CHAIRMAN GRAHAM: Are there any other matters that need to be -- excuse me. Is there any other

matters that need to be addressed at this time?

MR. DOSE: None from staff.

CHAIRMAN GRAHAM: Okay. Before we adjourn, I am going to let everybody know what's going on.

I now have five -- one after 5:00. So at 5:31, we will start the Service Hearing early. We will probably make another speech at six o'clock, the scheduled time for the Service Hearing, but I figured since we are all here, there is no sense of us all sitting for an hour waiting for the service hearing. We will start in about a half-an-hour.

The ladies in the back by the door, they will sign you up. So it's kind of like first come, first serve. So, you know, go back there and put your name on the sheet of paper, and in about a half-an-hour, we will get started.

Okay. Other than that, we are adjourned and we will start in 30 minute.

(Proceedings concluded.)

CERTIFICATE OF REPORTER

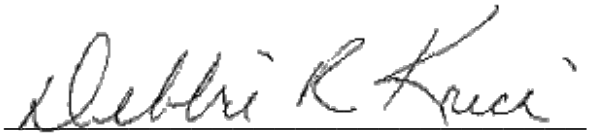
STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 10th day of February, 2025.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028