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ST. GEORGE ISLAND UTILITY COMPANY, LTD.

DOCKET NO. ~~10100 111~~

DIRECT TESTIMONY OF JOHN A. KINTZ

STATE OF FLORIDA

DEPARTMENT OF ENVIRONMENTAL PROTECTION

ON BEHALF OF THE STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF WATER AND WASTEWATER

FILED: JUNE 8, 1994

John A. Kintz

DOCUMENT NUMBER-DATE
 05667 JUN-8 84
 FFD-NEEDS REPORTING

1 Q. Please state your name and business address.

2 A. John A. Kintz, P.E., Florida Department of Environmental Protection,
3 160 Governmental Center, Pensacola, Florida 32501-5794.

4 Q. Please state a brief description of your educational background and
5 experience.

6 A. In June 1958 I earned a Bachelor of Arts degree in Mathematics from
7 St. Vincent College in Latrobe, Pennsylvania and a Bachelor of Science
8 degree in Civil engineering from the Pennsylvania State University in State
9 College, Pennsylvania in June 1959. I commenced active duty in the U. S.
10 Navy Civil Engineer Corps in November 1959. I had various assignments in
11 the continental United States and overseas. I retired in April 1980 as a
12 Lieutenant Commander, Civil Engineer Corps, after serving 20 years on
13 active duty. I am a Registered Professional Engineer (October 1979).

14 Q. By whom are you presently employed?

15 A. I am employed by the Florida Department of Environmental Protection
16 (DEP).

17 Q. How long have you been employed with the Department of Environmental
18 Protection and in what capacity?

19 A. I was the Department's Industrial Wastewater Section Supervisor from
20 March 1980 through May 1984 and the Department's Potable Water Section
21 Supervisor from June 1984 to the present. I have been with the Department
22 for 14 years.

23 Q. What are your general responsibilities at the Department of
24 Environmental Protection?

25 A. My responsibilities include evaluating applications for construction

1 permits for drinking water plants and General Permit Notices for extensions
2 of public water distribution systems. I review professional engineering
3 plans, specifications, reports and supporting data for compliance with DEP
4 regulations. I prepare construction permits for drinking water supply
5 sources and new extensions to public water distribution systems. I am
6 responsible as the Northwest District's Potable Water Section Supervisor
7 for regulating 482 public water systems (218 community, 67 non-transient
8 non-community systems and 197 non-community systems) in 16 counties of the
9 panhandle. In addition to processing permit applications (Chapter 17.555
10 F.A.C. -- Permitting and Construction of Public Water Systems), I am
11 responsible for compliance and enforcement of Chapters 17-550 F.A.C. -
12 Drinking Water Standards, Monitoring, and Reporting; 17-551 F.A.C. --
13 Control of Lead and Copper; 17-560 F.A.C. -- Requirements for Public Water
14 Systems That Are Out of Compliance.

15 The State's Drinking Water Program is described very well in the
16 Citizen's Guide to the Florida Department of Environmental Regulation (now
17 Florida Department of Environmental Protection) put out by the Governor,
18 Lt. Governor and the Secretary of the Department in November 1992. It
19 states as follows:

20 "The Department's drinking water standards protect
21 consumers of water by establishing maximum
22 contaminant levels for 18 inorganic chemicals, 61
23 organic chemicals, turbidity, microbiological
24 contaminants and radionuclides. The Department
25 also has requirements for construction and

1 operation of drinking water plants, and for
2 monitoring and sampling of the water they supply.
3 The drinking water program is administered as a
4 joint effort between the DEP, the Department of
5 Health and Rehabilitative Services, and county
6 health departments."

7 Q. Are you familiar with the St. George Island Utility Company, Ltd.
8 water system in Franklin County?

9 A. Yes.

10 Q. Does the utility have a current operating or construction permit(s)
11 from the Department of Environmental Protection?

12 A. The State's Drinking Water Program does not issue Operating Permits.
13 Permit WC19-21196 is for the construction of Well #3 which includes an
14 auxiliary generator. The improvements/ modifications to the water system
15 (DS19-222055) consist of: 1) back pressure sustaining/altitude valve for
16 supply line to the existing elevated water storage tank with bypass; 2) a
17 second high service pump, with capacity similar to the existing 50 hp pump;
18 and 3) instrumentation, controls and flow measurements equipment to
19 facilitate operation of the proposed improvements.

20 Q. Please state the issuance dates and the expiration dates of the
21 construction permits.

22 A. The issuance date of construction permit WC19-211976 was June 8,
23 1992. The Department's February 25, 1994 letter approved Well #3 and the
24 related facilities being placed into service. The issuance date of DS19-
25 222055 was January 1, 1993. The permit was due to expire on January 1,

1 1994. The utility applied for an extension on December 22, 1993 and the
2 permit is now due to expire on June 30, 1994. As of April 19, 1994, the
3 utility had not as yet entered into a contract for the work.

4 Q. Are the utility's wells, treatment facilities and distribution system
5 sufficient to serve its present customers?

6 A. Yes. Additional information is contained in my February 17, 1994
7 memo to Allan W. Johnson, P.E. that reviews the status of the water system.
8 See EXH JAK-1.

9 Q. What immediate, near-term, and long-range actions do you foresee the
10 utility needs to accomplish in order to accommodate current and future
11 customers?

12 A. If fire flow is not required by the County, as is the current
13 standing, the utility would need to construct an additional raw water line
14 from the mainland in order to supply potable water for additional
15 development on St. George Island in excess of the allowable total of 1,346
16 customer connections. Preliminary information from the Northwest Florida
17 Water Management District suggests that additional wells on the mainland
18 will have to be drilled further inland from the coast in order to insure
19 that there will be no salt water intrusion into the existing wells in the
20 Eastpoint area. The potable water distribution system was not designed for
21 fire flow. It is my opinion that if fire flow were to be required by
22 Franklin County, it would still be necessary to increase the capacity of
23 the raw water transport to St. George Island along with additional storage
24 on the island. The size of the distribution mains throughout the island
25 would also need to be increased.

1 Q. What is the current number of connections that the utility is able to
2 accommodate while still maintaining compliance with all DEP regulations?

3 A. 1,346 equivalent residential connections (ERCs). As stated in my
4 February 17, 1994 memo to Allan W. Johnson (EXH JAK-3), this number of ERCs
5 has been calculated as follows. First, the 9 commercial connections were
6 converted to ERCs by using the utility's engineering report which stated
7 they were equivalent to 140 ERCs. This number was then added to the number
8 of residential users on the system for the month of May, 1993 (887) which
9 resulted in 1,027 ERCs on the system that month. By using the utility's
10 maximum daily usage which occurred on May 31, 1993 and dividing that number
11 by the number of ERCs on the system during that month, it is calculated
12 that each ERC uses approximately 520 gallons per day (gpd). The next step
13 was to determine the maximum allowable ERCs for this utility based on the
14 520 gpd amount. The Northwest Florida Water Management District has
15 restricted the utility's maximum pumping capacity to 700,000 gpd for a
16 single day. Taking that maximum amount and dividing by the gallons per day
17 per ERC, it is calculated that the utility system's maximum allowable
18 number of ERCs is 1,346 which includes Well #3 being on-line and the system
19 improvements as envisioned under permit DS19-222055 being completed and in
20 place.

21 Q. Do you have anything further to add?

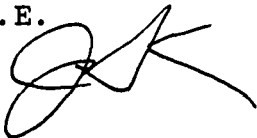
22 A. No.

Docket No. 940109-WU
Florida Public Service Commission
JAK-1

Memorandum

Florida Department of
Environmental Protection

TO: Allan W. Johnson, P.E.

FROM: John A. Kintz, P.E. 

DATE: February 17, 1994

SUBJECT: Review of the St. George Island Utility Company, Ltd.

This memo is prepared in two parts. Part A discusses the drinking water system capability and available customer connections and is an update of my October 25, 1993 memo to you (same subject). Part B discusses Gene Brown's January 13 letter to Richard Windsor regarding a proposed STIPULATION ENTRY OF A FINAL JUDGMENT.

PART A System Capability and Available Connections

1. The Baskerville-Donovan, Inc. (BDI) Engineer's Report (ER) that was prepared on behalf of Gene Brown was received by the Department on May 28, 1992. Exhibit #3 of the BDI ER identifies nine commercial accounts that obtain water from St. George Island Utility Company, Ltd. (SGI W/S). Commercial accounts must be distinguished from residential accounts because of their usually heavier demands on the system. On page 11 of the ER, the statement is made --- "The number of commercial ERUs calculated is 140". In this memo BDI's ERU designation will be recast as ERCs (equivalent residential connections). The SGI W/S Service Connection Report submitted to the Department for June listed 896 customer connections using water (for the previous billing cycle which is May 1993). The SGI W/S monthly operating report (MOR) for the month of May 1993 showed that the maximum flow for the month occurred on May 31, 1993 (Memorial Day) and was 533,000 gallons.

2. The Northwest Florida Water Management District Consumptive Use Permit (Application No. SO4322, Standard Water Use Permit No. S830074) states --- "This permit authorizes the permittee to make a combined average annual withdrawal of 203,184 gallons of water per day with a maximum total combined withdrawal rate not to exceed 700,000 gallons during a single day". It is to be noted that the maximum amount of water allowable under the permit that can be pumped to the Island is 74.2 million gallons (203,184 gallons per day X 365 days = 74.2 million gallons) for the year.

3. In order to determine the amount of usage per connection, the residential and commercial accounts need to be reduced to a "common denominator". This common denominator is the equivalent residential connection (ERC). The total ERCs for May 1993 has been figured as follows:

896	No. of connections (commercial and residential) using water in May, 1993 (from the June SGI W/S Service Connection Report).
<u>-9</u>	No. of commercial accounts (from BDI ER).
887	Total no. of residential connections using water.
<u>+140</u>	Equivalent no. of ERCs for commercial accounts (from the BDI ER).
1027	Total calculated ERCs (commercial and residential customers) using water on May 31, 1993.

4. The next step is to determine the amount of water usage per ERC on the maximum day. Accordingly, 533,000 gallons divided by 1,027 ERCs = 518.9 gallons per day per connection (gpd/c); we will round the figure to 520 gpd/c or 520 gpd/ERC for the St. George Island Utility Company, Ltd. water system. Then 700,000 gallons per day (maximum raw water allowed to be pumped to the Island as per the Northwest Florida Water Management District's Standard Water Use Permit No. S830074) divided by 520 gpd/ERC = 1346 ERCs (customer connections). In response to any possible claims or suggestions that the completion of Well #3 will improve the capacity of the system, these calculations describe the system capacity to serve customer connections/ERCs as the situation will exist with the addition of Well #3. This means that the 1346 ERCs (residential and commercial customer connections) are the MAXIMUM ALLOWABLE number of connections/ERCs, before additional (above and beyond Well #3) raw water supply capability to the Island is constructed and is in service.

5. From Mr. Gene Brown's September 2, 1993 letter to the Department that included his portrayal of the number of Contributions In Aid of Construction (CIAC), we have analyzed the situation as follows:

1140	(See Note 1)	
+0	(See Note 2)	The Bluffs Subdivision
+71	(See Note 3)	Casa Del Mar Subdivision
+11	(See Note 4)	Pebble Beach Subdivision
+31	(See Note 5)	Schooner Landing Subdivision
+2	(See Note 6)	
<u>+5</u>	(See Note 7)	
1260		

General Note: It is to be noted that the Department permits for the projects discussed in the notes which follow were issued to third party applicants as "dry system permits" and these dry systems could not be made "wet" until the improvements to the water system specifically authorized in Permit No. DS19-222055 are made and the Department has issued the approval to put the improvements into use.

Note 1: From Gene Brown's September 2, 1993 letter and the August 31, 1993 Contributions in Aid of Construction (CIAC) List.

Note 2: The Bluffs Subdivision permit was issued to Morris Palmer of the Coastal Development Consultants, Inc. as a "dry system" (DS19-215213 for a 10 lot subdivision on August 4, 1992 with an expiration date of August 1, 1993). According to Mr. Brown, all 10 connections are prepaid (paid September 28, 1992) and are listed on the August 31, 1993 CIAC List.

Note 3: The Casa Del Mar Subdivision permit was issued to George Mahr of the Sunny Day Development Corporation (now known as Mahr Development Corporation of Florida) as a "dry system" (DS19-215081 for an 84 lot subdivision on December 16 1992 with an expiration date of March 1, 1994). The project has since been downsized to a 76 lot subdivision. The Department has been advised that George Mahr bought 67 prepaid future water connection commitments from Andrew Jackson Savings Bank. Five additional Casa Del Mar connections were requested by Mr. Brown and accordingly approved in the Department's July 30, 1992 letter and these 5 appear on Mr. Brown's August 31, 1993 CIAC List. Accordingly, the system's capacity to serve these 71 future connections must be reserved and counted in the allowable total at this time. The above information was received from Mr. Mahr in his November 30, 1993 letter to the Department. These 71 connections do not appear on Mr. Brown's August 31, 1993 CIAC list. I concur these 71 must be reserved and considered an absolute commitment/ obligation for the Utility to have the capacity to serve.

Note 4: The Pebble Beach Subdivision permit was issued to Ken Gordon of Phoenix Harbor Enterprises, Inc. as a "dry system" (DS19-220313 for a 32 lot subdivision on November 10, 1992 with an expiration date of December 1, 1993). Only 21 of the connections for the Pebble Beach Subdivision appear on Mr. Brown's August 31, 1993 CIAC List. Accordingly, the capacity to serve the 11 remaining Pebble Beach Subdivision connections must be reserved and counted in the allowable total at this time.

Note 5: The Schooner Landing Subdivision permit was issued to Roy L. Talley, Sr. of Covington Properties, Ltd. as a "dry system" (DS19-232536 for a 31 lot subdivision on December 1, 1993 with an expiration date of December 1, 1994). Gene Brown's April 15, 1993 letter to Mrs. Quida Talley stated that five water connections had been paid for. Then Gene Brown's September 23, 1993 letter to Roy L. Talley, Sr. stated in part ..."This will

confirm that 22 service connections have been purchased from St. George Island Utility Company, Ltd. for the account of Covington Properties, Inc. This transaction is carried on the utility's books, and the utility will honor this commitment". None of these 31 Schooner Landing Subdivision connections appear on Mr. Brown's August 31, 1993 CIAC List and must be reserved and counted in the allowable total at this time.

Note 6: Since the most recent Circuit Court Order addressing the allowable total number of connections/ERCs and through August 30, 1993, the Department has approved Mr. Brown's request for 101 new prepaid connections/ERCs. All but 5 of the customer connections/ERCs were located on Mr. Brown's August 31, 1993 CIAC List. I have since accounted for 3 of the 5 connections. Accordingly, the capacity to serve the other 2 connections must be reserved and counted in the allowable total at this time. The two names appear on the enclosure entitled - "Approved Connections Not on the CIAC List".

Note 7: The Department's October 27, 1993 letter approved 5 of 8 of the requested connections/ERCs in Mr. Brown's October 7, 1993 letter. Accordingly, the capacity to serve these 5 connections/ERCs must be reserved and considered an absolute commitment/obligation for the Utility to have the capacity to serve. Therefore, we conclude the following:

1346 (see paragraph A.4. above)
-1260

86 remaining available connections/ERCs

6. It is the Department's recommendation that 15 of the 86 remaining allowable customer connections/ERCs be reserved for true emergencies such as permanent residents on the Island that have shallow potable water wells that might go bad (some of these shallow wells have already gone bad because of the closeness of the well to the on-site septic tank). Accordingly, only 71 customer connections/ERCs are available for future "dry system permits" and/or other requests.

7. It is to be noted Mr. Brown has signed the below listed statement as the "Owner/Authorized Representative of Utility Supplying Water" on all four of the "dry system permits" discussed above. The statement is Item B on DER FORM 17-555.910(1) on page 2 of 6 of the application. The statement reads -

"The undersigned, owner/authorized representative of St. George Island Utility Company, Ltd., hereby certifies that the above referenced utility has adequate reserve capacity to supply water to this project and will provide the necessary treatment as required by Chapter 403, Florida Statutes, and all rules of the department. Further the undersigned verifies that his treatment plant was

constructed under a valid permit, Number various dated various issued by the department, and the connection of the proposed project will not be in violation of any condition of said permit."

The Department should not accept any future "dry system permit" applications if Item B on page 2 of 6 of the application is not signed. If this statement is not signed, the application will remain incomplete until it is signed. Then, if it is not signed within 90 days, a recommendation will be made to the District Director that the application be denied due to the fact the application has remained incomplete for 90 days. The reason the 90 day period is used is because the Department must take Final Agency Action in 90 days and it has always been the policy in this District that it is reasonable that the applicant should be bound by the same 90 day time frame.

Any developer on St. George Island should be aware that they may lose the \$500 application fee when an application is denied by the Department. Also, the money for the necessary engineering and development fees may be tied up for an extremely long period of time.

8. Additional development on St. George Island in excess of the allowable total of 1,346 customer connections/ERCs as addressed in paragraph A.4 above will require construction of a raw water supply line from the mainland. Preliminary information from the Northwest Florida Water Management District suggests that additional wells on the mainland will have to be drilled further inland from the coast in order to insure that there will be no salt water intrusion into the existing wells in the Eastpoint area.

PART B Comments on Mr. Brown's 1/13/94 letter to Richard Windsor

Comments are numbered to coincide with the numbered paragraphs in the proposed STIPULATION FOR ENTRY OF FINAL JUDGMENT that was an enclosure to Mr. Brown's January 13, 1994 letter.

1. The statements made in this paragraph are accurate.

2. It is and always has been the Department's position that the improvements to be made under Permit No. DS19-222055 will not increase the capacity of the water system! The items of work in the subject permit will improve the pressure throughout the system. It is the Department's position that the present capacity of the system when Well #3 is placed into service is 1346 total allowable customer connections/ERCs as addressed in paragraph A.4 above. Mr. Brown continues to insist that the capacity of the system has somehow been determined by BDI in their ER to be a larger number. BDI used theoretical assumptions rather than measured flows.

3. All actions required in the Partial Final Judgment (PFJ) Case No. 90-335 signed by Circuit Judge J. Lewis Hall, Jr. on April 30, 1992 have not been completed.

4. I agree with Mr. Windsor's statement in his January 21, 1994 letter to Mr. Brown that the proposed STIPULATION CONTEMPLATING ENTRY OF A FINAL JUDGMENT is not acceptable.

5. If a "dry system permit" is issued for 43 residential customer connections/ERCs for the proposed Sunset Beach project, only 28 ERCs will remain for general use. (Reference item A.6 above.)

6. If "dry system permits" are issued as anticipated for the St. George developments for Sunset Beach and Sailfish Enterprises, Inc., there will be only one available water system customer connection/ERC remaining.

7. As mentioned above, there is not sufficient available capacity to allow Mr. Brown's plan to convey ownership of water system connections/ERCs to satisfy this requirement. (Reference items A.5, B.5 and B.6 above.)

8. The comments in item B.7. above are also applicable to the customer connections/ERCs proposed for Dr. Ben Johnson's Resort Village on St. George Island. The storage facility will only help the pressure of the system. It will not increase the number of connections available.

12. The comments in item B.7 above are also applicable to the connections mentioned here. In Item A.6 above, it was recommended that fifteen (15) connections be reserved for true emergencies.

JAK:jkb

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for interim and) DOCKET NO. 940109-WU
permanent rate increase in) FILED: June 8, 1994
Franklin County by ST. GEORGE)
ISLAND UTILITY COMPANY, LTD.)
_____)

CERTIFICATE OF SERVICE

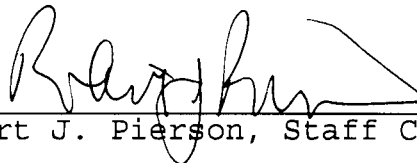
I HEREBY CERTIFY that a true and correct copy of the Prefiled Direct Testimony of John A. Kintz, filed in this proceeding on behalf of the Staff of the Florida Public Service Commission on this date, with attached exhibits, has been furnished to the following by U.S. Mail, this 8th day of June, 1994.

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