

		SINAN
1		BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2		DIRECT TESTIMONY OF
3		DOUGLAS C. MILLER
4		ON BEHALF OF
5		NOCATEE UTILITY CORPORATION
6		DOUGLAS C. MILLER ON BEHALF OF NOCATEE UTILITY CORPORATION DOCKET NO. 990696-WS
7		February 11, 2000
8		
9	Q.	Please state your name and business address.
10	Α.	My name is Douglas C. Miller. My business address is
11		14775 St. Augustine Road, Jacksonville, Florida 32258.
12	Q.	By whom are you employed and in what capacity?
13	Α.	I am a principal in the civil engineering firm of
14		England-Thims & Miller. We are a full service civil
15		engineering firm that specializes in both public and
16		private infrastructure, including water and wastewater
17		utilities. I currently serve as President of that
18		firm.
19	Q.	Please describe your background and experience.
20	A.	I earned a Bachelor of Science degree in Civil
21		Engineering from the University of Florida in 1975. I
22		am a licensed professional engineer in the state of
23		Florida and have practiced professional engineering in
24		Florida for the past 25 years. I began my career
25	REC	working for a consulting engineering company in BIVED & FILED DOCUMENT NUMBER-DATE
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Gainesville, Florida and later worked as a municipal 1 2 engineer for the City of Jacksonville. I joined the 3 firm of England-Thims and Miller (ETM) as a managing principal in 1980. Over the past 20 years I have 4 5 directed the design of both public and private projects 6 that require expertise in water resource management, 7 water and wastewater planning and design, stormwater 8 design, environmental permitting, transportation, and 9 solid waste management. My water and wastewater 10 utility experience includes work for the 10,000-acre 11 Argyle Forest DRI in Jacksonville, the 4,150-acre 12 Julington Creek DRI in St. Johns County, the 6,400-acre Saint Johns DRI in St. Johns County, and for DuLay 13 14 Utility Company, which has a 10,000-acre water and sewer utility franchise in Duval and Clay Counties. 15 Ι 16 have attached a copy of my resume as Exhibit (DCM-17 1).

- 18 Q. Have you previously been qualified by courts and
 19 administrative agencies to give expert engineering
 20 testimony?
- 21 A. Yes, I have been qualified as an expert in Water and
 22 Sewer Utility Design, Environmental Engineering, Cost
 23 Estimating, Stormwater Management, and Solid Waste
 24 Management.
- Q. Have you previously testified before the Florida Public
 Service Commission on utility matters?

- 1 A. Yes, as the Engineer of Record for DuLay Utility
- 2 Company in a PSC public hearing.
- 3 Q. What is your relationship to Nocatee Utility
- 4 Corporation and its parent company, DDI, Inc.?
- 5 A. ETM has been engaged by DDI, Inc. to perform a full
- 6 range of engineering services in connection with
- 7 planning, permitting and development of the Nocatee
- 8 development of regional impact. I am the principal in
- 9 our firm in charge of that engagement and I serve as
- 10 Engineer of Record for the project. One of my
- 11 responsibilities has been to advise DDI about utility
- matters and to perform the master planning for the
- water, wastewater and reuse system for the development.
- 14 Q. What is the purpose of your testimony?
- 15 A. The purpose of my testimony is to provide information
- on the water, wastewater and reuse needs of the Nocatee
- 17 development and to describe Nocatee Utility
- 18 Corporation's plan for meeting those needs. To avoid
- 19 confusion, I will try to use the term "Nocatee" to
- 20 refer to the development and the term "NUC" or
- 21 "Utility" to refer to Nocatee Utility Corporation.
- 22 Q. Are you sponsoring any exhibits in this proceeding?
- 23 A. Yes. I am sponsoring portions of Nocatee Utility
- 24 Corporation's Application in this proceeding,
- 25 specifically Exhibits A through G, K and L and
- 26 Supplemental Exhibit Q. I have also attached several

- other exhibits which are referred to at the appropriate
- 2 places in my testimony.
- 3 Q. Please provide an overview of the Nocatee development.
- 4 A. As Mr. Skelton briefly described, Nocatee is a 15,000
- 5 acre development of regional impact (DRI) located in
- 6 Duval and St. Johns Counties. The application for
- 7 development approval (ADA) for the project was filed in
- 8 early February 2000 and is in the process of being
- 9 reviewed by St. Johns County, Duval County, the
- Department of Community Affairs, and other interested
- 11 agencies.
- Nocatee will be developed in five phases over a
- total development horizon of approximately 25 years.
- 14 Phase I, which covers the time period from
- approximately 2001 to 2005, includes property in both
- 16 Duval and St. Johns Counties.
- The map attached to my testimony as Exhibit
- 18 (DCM-2) shows the Nocatee development and highlights
- 19 the area included within Phase I.
- 20 Q. How does NUC's proposed service territory relate to the
- 21 Nocatee development?
- 22 A. The two areas are identical. The boundaries of the
- Nocatee development have changed slightly since NUC's
- 24 Application was submitted last year. A revised
- 25 territory description which matches the final
- 26 boundaries of the Nocatee development is being filed

- 1 concurrently as Revised Exhibit K to the Application,
- and is depicted on the maps being filed as Revised
- 3 Exhibit L.
- 4 Q. Have you prepared an exhibit that summarizes the
- 5 projected water, wastewater and reuse needs for Nocatee
- by phase over the life of the development?
- 7 A. Yes, I have attached those projections as Exhibit _____
- 8 (DCM-3). As this exhibit shows, the Phase I needs for
- 9 Nocatee include a potable water demand of 0.729 million
- 10 gallons per day (MGD), a wastewater demand of 0.614
- MGD, and a reuse demand of 1.535 MGD for irrigation
- 12 purposes. These increase to 6.120 MGD of potable
- water, 5.208 MGD of wastewater, and 6.736 MGD of reuse
- demand by build-out in around 2025.
- 15 Q. How does NUC propose to meet the projected reuse
- 16 demand?
- 17 A. NUC proposes to meet 20% of the reuse demand with on-
- 18 site stormwater, leaving 80% to be met by treated
- 19 effluent. This means that 1.228 MGD of treated
- 20 effluent will be required at the end of Phase I,
- 21 increasing to 5.390 MGD at build-out.
- 22 Q. How did NUC arrive at the 80/20 split between treated
- 23 effluent and on-site stormwater?
- 24 A. This was based on ETM's experience with Consumptive Use
- 25 permitting and operations of irrigation systems in
- large scale community developments with golf courses

- 1 located in St. Johns County. These include Julington
- 2 Creek Plantation DRI and Saint Johns DRI, both of which
- 3 use reuse and stormwater as irrigation sources.
- 4 Q. Can Nocatee's total requirement for treated effluent be
- 5 met by wastewater generated by the project?
- 6 A. No. The requirement for treated effluent for reuse
- 7 exceeds the wastewater generated by the development in
- 8 every phase, and the shortfall is most significant in
- 9 the early stages of the development. At the end of
- 10 Phase I, for example, only about 50% of the need for
- 11 treated effluent can be met by wastewater generated on
- 12 site. This means that NUC must secure an off-site
- source of treated effluent in order to satisfy the
- 14 needs of the service territory.
- 15 Q. Could the shortfall be met by increased use of
- 16 stormwater?
- 17 A. No, stormwater for reuse is derived from the runoff
- 18 component of rainfall. The highest irrigation demands
- 19 obviously occur during periods of low rainfall. This
- is particularly true in years of low rainfall or
- 21 drought. Stormwater is simply not a reliable source of
- 22 reuse water for a large community that is committed to
- meeting 100% of its irrigation demand by reuse.

- 1 Q. Could the irrigation demands be met using a groundwater
- 2 source?
- 3 A. No. Nocatee has committed in its DRI Application for
- 4 Development Approval to not use groundwater as a
- 5 primary source for irrigation. This commitment is part
- of Nocatee's Comprehensive Water Resource Protection
- 7 Plan. Specifically, the Floridan Aquifer is the
- 8 region's primary potable water supply which should be
- 9 conserved for obvious reasons. The surficial aquifer
- is problematic as an irrigation source for Nocatee
- because of the approximately 7,000 acres of wetland
- 12 systems on the site. The wetland systems are primarily
- supported by the surficial groundwater system in the
- 14 area. Large withdrawals from this source for
- irrigation would likely impact these systems adversely.
- 16 Q. Please describe NUC's plan for providing service to the
- territory it has applied for.
- 18 A. NUC plans to obtain bulk water, wastewater and reuse
- 19 service from JEA. JEA will provide that service at its
- 20 tariffed bulk rates from water and wastewater treatment
- 21 plants located in Duval County.
- The point of connection between JEA's system and
- NUC's system will be located in Duval County, at the
- 24 boundary of NUC's service territory. NUC will own the
- 25 water transmission and distribution facilities, the
- 26 wastewater collection facilities, and the reuse

- 1 transmission, storage and distribution facilities
- within its territory. Large trunk mains will be
- 3 provided by NUC and smaller distribution mains will be
- 4 contributed by the developer. In addition, NUC will
- 5 provide on-site reuse storage and pumping facilities.
- 6 Q. What steps have been taken to obtain bulk service from
- 7 **JEA?**
- 8 A. On April 14, 1999, DDI and JEA entered into a Letter of
- 9 Intent which is included in the Application as Exhibit
- 10 A-1. The Letter of Intent outlines the general terms
- of service that will be included in a detailed
- 12 Wholesale Service Agreement to be negotiated once NUC
- 13 has obtained a certificate from the Commission to serve
- 14 the Nocatee development. For ease of reference, a copy
- of this Letter of Intent (without exhibits) is attached
- as Exhibit (DCM-4). In addition, NUC recently
- obtained a letter from JEA confirming the availablity
- 18 of wholesale water, wastewater and reuse service in the
- 19 quantities required by the project. See Exhibit
- 20 (DCM-5).
- 21 Q. What is the basis for your familiarity with the JEA
- 22 Letter of Intent?
- 23 A. I participated in the negotiation of the agreement with
- 24 JEA on behalf of DDI.
- 25 Q. Has there been any further interaction with JEA since
- 26 the date of the Letter of Intent?

- Α. Yes, because NUC's certification proceeding has been 1 2 delayed as a consequence of the Commission's order 3 denying its request for partial waiver of the filing requirements, JEA and NUC have discussed attempting to 4 5 finalize a Wholesale Service Agreement even before NUC 6 obtains final certification from the Commission. 7 currently expect that negotiations will begin before 8 the end of the first quarter of this year.
- 9 Q. Why has NUC opted to provide service through a

 10 wholesale agreement with JEA rather than through the

 11 construction and operation of its own on-site water and

 12 wastewater treatment facilities?
- 13 Α. The agreement with JEA offers a number of advantages. 14 JEA is the largest provider of utility service in the 15 area, and the partnership with JEA will enable NUC and 16 its customers to enjoy the benefits of JEA's experience 17 and economies of scale. By having the water and 18 wastewater treatment facilities located off-site, NUC 19 is able to help meet DDI's goal of minimizing the 20 environmental impacts of the Nocatee development. 21 Finally, from the outset of the development JEA can 22 provide treated effluent in sufficient quantities to 23 implement a reuse irrigation system throughout Nocatee.

In short, JEA can support NUC's provision of reliable, timely, low-cost service in a manner that is

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- 1 consistent with the overall environmental goals of the
- 2 development.
- 3 Q. How does NUC plan to manage the day-to-day operation of
- 4 the utility?
- 5 A. As stated in Exhibit H to the Application, NUC expects
- 6 to obtain operations, management and billing services
- 7 from a third-party provider with experience in water
- and wastewater utility management. Under the Letter of
- 9 Intent with JEA, NUC has the option to obtain such
- services from JEA. I expect that this will be a part
- of the upcoming negotiations with JEA on a final
- 12 Wholesale Service Agreement.
- 13 Q. What if NUC is unable to reach a satisfactory
- management agreement with JEA?
- 15 A. There are other qualified entities in the area that are
- 16 ready and willing to provide such services. In
- 17 December 1999, NUC issued a request for qualifications
- and statement of interest in providing administrative,
- 19 operations and maintenance services for the utility.
- 20 In addition to JEA, United Water Resources submitted a
- 21 comprehensive response that detailed their interest and
- ability to provide these types of services to NUC on a
- 23 contract basis.
- 24 Q. What master planning work has ETM performed for the on-
- 25 site facilities?

- 1 A. ETM has developed a master utility plan for water,
- 2 wastewater and reuse services for Nocatee. This
- 3 planning effort included groundwater studies,
- 4 alternative treatment options, as well as extensive
- 5 hydraulic modeling of project phases and alternatives.
- 6 Exhibit ___ (DCM-6) represents the proposed Phase I
- 7 service for Nocatee. Exhibit __ (DCM-7) shows the
- 8 master plan for the project at buildout.
- 9 Q. As part of that master planning effort, has ETM
- 10 prepared a cost estimate for the on-site facilities
- that will be required to serve Phase I of the
- 12 development?
- 13 A. Yes. Exhibit (DCM-8) identifies the on-site
- facilities that will be required to serve Phase I of
- the development, together with their projected costs.
- This information was furnished to Ms. Swain for her use
- in developing proposed rates for the utility.
- 18 Q. Is service by NUC consistent with the Duval and St.
- Johns County Comprehensive Plans?
- 20 A. Yes. I have reviewed the portions of each county's
- 21 comprehensive plan related to utility service and found
- 22 NUC's plan to be consistent with the goals, objectives
- and policies of each plan. Specifics of this can be
- found in the Comprehensive Plan Amendment for the
- Nocatee Project to be submitted to each county.

- 1 Q. In your opinion, is there an advantage to having
- 2 utility service for Nocatee provided by NUC as opposed
- 3 to an unrelated third-party utility?
- 4 A. Yes. One of the major policy directions that we have
- 5 received in our role as Engineer of Record for Nocatee
- is that the project is to be developed in the most
- 7 environmentally-sensitive manner possible. DDI's
- 8 commitment to protect the water resources in the area,
- 9 including its commitment to employ reuse for all
- irrigation within the project, is just one example of
- the way this sensitivity is being reflected in planning
- for the project. These environmental concerns are much
- easier to address in a comprehensive manner when
- 14 utility planning is conducted under the same roof as
- 15 planning for other aspects of the development. For
- this reason alone, NUC is uniquely positioned to
- 17 provide service in a manner that is consistent with the
- 18 needs of the development.
- 19 Q. As advisor to DDI on utility planning matters, did you
- 20 consider whether the system proposed by NUC would
- 21 compete with or duplicate any existing utility system?
- 22 A. Yes I did. There is no other utility currently
- 23 providing service in any portion of the territory that
- NUC has applied for. As of today, JEA has backbone
- 25 facilities in closer proximity to the property than any
- other potential wholesale or retail provider. Based on

a preliminary analysis of potential service from other utilities in the area, I concluded that retail service by NUC, supported by wholesale service from JEA, is the best plan for providing service to Nocatee. Does that conclude your testimony? Q. A. Yes it does.

VITAE

Douglas C. Miller, P.E. President

ENGLAND, THIMS & MILLER, INC.

14775 St. Augustine Road Jacksonville, Florida 32258

Mr. Miller's 25 year public works and environmental engineering career has incorporated both private consulting and municipal engineering. As a municipal engineer for the City of Jacksonville, Mr. Miller was responsible for roadway and drainage design, bridge design and inspection, and drainage basin improvements. He was also responsible for the development of the stormwater detention analysis criteria used by the City.

For the past 20 years, Mr. Miller has been a managing principal of England, Thims & Miller, Inc. He directs the design of private and public projects that require expertise in transportation, water resource management, environmental permitting, solid waste management, stormwater design, and water and wastewater planning and design. Mr. Miller has directed construction management and contract administration services on construction projects valued in excess of 500 million dollars.

He has been recognized as an expert in legal proceedings and administrative hearings in the following areas: Environmental Engineering, Stormwater Management, Solid Waste Management, and Water and Sewer Utility Designs

Mr. Miller has served as a member of the following:

- Florida Department of Environmental Protection Technical Advisory Committee on Solid Waste
- Mayor Delaney's Transition Team (Committee Chairman)
- Mayor Delaney's Growth Management Task Force (Committee Chairman)

Education

B.S. in Civil Engineering, University of Florida, 1975

Professional Registration

Florida Professional Engineer, No 22389 Registered Bridge Inspector (00052)

Professional Membership

Florida Engineering Society American Society of Civil Engineers National Society of Professional Engineers

Profeesional Experience

JCP Wastewater Treatment Facility, St. Johns County, Florida

Principal-in-Charge responsible for 1.0 mgd expansion of treatment capacity for a sequencing batch reactor plant with conventional treatment, chlorine disinfection and reuse disposal.

• DuLay Utility Company, Clay and Duval County, Florida

Engineer of Record for 10,000± acre water and sewer utility franchise. Projects included water and wastewater plant design, and project-wide master planning.

• Julington Creek Plantation, St. Johns County, Florida

Engineer of Record for the 4,150 acre mixed use development in St. Johns County. This includes the master utility plan design and permitting and the master plan for the stormwater system, management of storage of surface waters and flood control for Flora Branch Creek.

VITAE

Douglas C. Miller, P.E. President

ENGLAND, THIMS & MILLER, INC.

14775 St. Augustine Road Jacksonville, Florida 32258

• Saint. Johns DRI, St. Johns County, Florida

Developed master water and sewer utility plan for 6,400± acre Development of Regional Impact.

Nocatee DRI, St. Johns County, Florida

Engineer of Record for a proposed 15,000± acre Development of Regional Impact including conducting water and sewer master planning and water supply studies.

• Rosemary Hill Landfill Class I and Class III, Clay County, Florida

Principal-in-Charge responsible for the design and environmental permitting including stormwater management, groundwater, and surface water monitoring plans for a 140 acre landfill.

Trail Ridge Landfill, Jacksonville, Florida

Principal-in-Charge responsible for the design and engineering of a 1,200-acre Class I and Class III Landfill. Special emphasis was placed on the stormwater plan and the liner design.

• Mandarin Drainage Study, Jacksonville, Florida

Principal-in-Charge for the master stormwater management plan, permitting and water quality study encompassing 20 square miles in southeast Jacksonville..

• National Pollutant Discharge Elimination System Permit Parts 1 & 2, Jacksonville, Florida

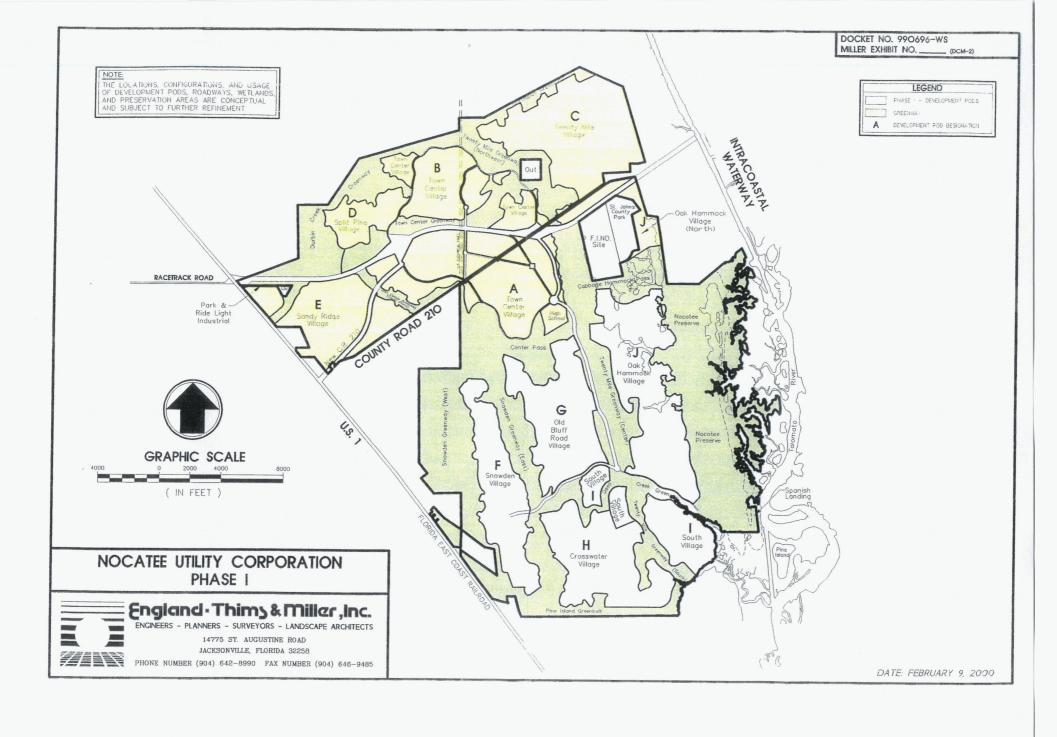
Responsible for managing one of the largest single NPDES stormwater permits in the nation. Part 1 of the permit application included the inventory and mapping of over 850 square miles of stormwater systems, identification and discharge characterization of all non-point sources, development of a monitoring plan along with general information about the physical, legal and financial aspects of the City's stormwater system. Part 2 includes additional water quality sampling along with establishing legal and regulatory controls to bring all stormwater discharges in the City of Jacksonville into compliance with State and Federal Water quality standards.

• Argyle Forest Subdivision, Jacksonville, Florida

Principal-in-Charge of 10,000± acre DRI project. Project included roadway design, utility design and master stormwater management design and permitting. Also included was the first wet detention system to be permitted by the St. Johns River Water Management District, as well as 60 acres of wetlands used for stormwater treatment.

• I-295 Widening Regional Treatment Facility

Principal-in-Charge responsible for analysis and design for the replacement of the proposed linear stormwater management system with a regional treatment facility. This process included an extensive site selection investigation process with hydraulic and water quality modeling. As a result of these analyses, a site for one regional stormwater facility was selected that would provide up to 20 times the pollutant removal of the previously proposed five miles of roadside treatment system. A wet detention facility was designed and permitted, providing the FDOT with a highly effective and low maintenance treatment facility.



SUMMARY OF WATER, WASTEWATER AND REUSE DEMAND BY PHASE

Phase	Water ADF (MGD)	ADF ADF			ADF ADF		DF ADF		ADF ADF		DF ADF A	
Phase 1	0.729	0.614	1.228									
Phase 2	1.111	0.941	0.840									
Phase 3	1.494	1.285	1.352									
Phase 4	1.422	1.213	1.341									
Phase 5	1.365	1.156	0.629									
Total	6.121	5.209	5.390									

^{*} An additional 20% reuse demand will be provided by on-site stormwater.

D.D.I., Inc. 4310 Pablo Oaks Court Jacksonville, Florida 32224

April 14, 1999

JEA 21 West Church Street Jacksonville, FL 32202

RE: Proposed Agreement for Wholesale Water and Wastewater Service

Ladies and Gentleman:

D.D.I., Inc. and its affiliate Estuary Corporation (herein collectively referred to as "DDI") are the owner of certain lands located in Duval and St. Johns Counties as more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property"). DDI intends to make application for certain development approvals from federal, state and local governmental agencies and authorities to permit development of the Property. DDI, either directly or through its affiliates (the "Utility Company"), also intends to make application with the Florida Public Service Commission ("PSC") for certification as a water and wastewater utility to service the Property (the "PSC Certification").

JEA is a certified water and wastewater utility service provider authorized by Ordinance 97-12-E, to provide water and wastewater utility service on a wholesale and retail basis. JEA and DDI have executed this Letter of Intent to evidence their mutual interest in entering into an Agreement for Wholesale Water and Wastewater Service Supply to the Property and to reflect certain agreements with respect to the processing of the PSC Certification by DDI or the Utility Company until such time as a final agreement for Wholesale Water and Wastewater service can be consummated between JEA and DDI.

1. Wholesale Service Agreement. At such time as the Utility Company shall obtain PSC Certification for the Property on terms and conditions satisfactory to it in its sole discretion, the Utility Company and JEA shall negotiate in good faith the terms of a wholesale service agreement for the supply of water and wastewater utility service, including reuse water ("Water and Wastewater Utility Service") to the Property (the "Service Agreement") in accordance with the plan of development established by DDI for the Property (the "Development Plan").

- 2. General Terms of Service Agreement. The parties agree that the general terms of the Service Agreement shall include those provisions customarily incorporated in the wholesale service agreements between JEA and other customers in the area and shall include the following provisions:
 - 2.1 <u>Capital Improvements and Service Obligations</u>. The cost of transmission lines and easement locations for Water and Wastewater Utility Service on and off site necessary to serve the Development plan shall be mutually agreed upon between JEA, DDI, and the Utility Company.
 - 2.2 <u>Cost of Service</u>. The Utility Company shall pay to JEA for wholesale Water and Wastewater Services to the Property those amounts in accordance with the Published Tariff Rates for Water and Sewer as may be amended pursuant to public hearing based on cost of service. (see Exhibit "B")
 - 2.3 Right of First Refusal. The Utility Company shall provide to JEA on terms and conditions mutually satisfactory to them a right of first refusal to purchase the utilities system; provided, however that portion of the system within Duval County normally transferred by a developer to JEA at no cost will be transferred at no cost to the JEA under this provision whether or not JEA is the successful purchaser of the system as a whole.
 - 2.4 <u>Term of Agreement</u>. The term of the Service Agreement shall continue through the estimated completion date of the Development Plan (presently 20 years) with terms of renewal as may be mutually agreed upon between the parties.
 - Management. At the option of the Utility Company, JEA will provide operations management service to the Utility Company at rates to be agreed upon between JEA and the Utility Company. Further, the Utility Company agrees that should it elect to out-source billing services, JEA will be afforded a right of first refusal to provide such services on terms and conditions mutually agreed upon between JEA and the Utility Company. If the Utility Company elects to outsource operations or management, JEA will be afforded the exclusive right to provide such services at JEA's allocated cost, to that portion of a contiguous service territory comparable to the Duval County portion of the Property.

- Well Sites. DDI agrees to supply well sites and a water plant site to JEA as may be reasonably necessary to service the Property, the location, number and capacity of well sites to be mutually agreed upon between JEA and DDI, consistent with all permitting requirements for the Property and consistent with all water resource management plan requirements for the Property as may be developed by DDI.
- 2.7 <u>Exclusive Provider</u>. During the term of the Service Agreement, JEA shall be the exclusive wholesale provider of Water and Wastewater Utility Service to the Property.
- 3. Pending PSC Certification. In consideration of the terms of this Letter of Intent, JEA agrees that until expiration of this Letter of Intent (and thereafter during the term of the Utility Service Agreement) the Utility Company shall have the sole and exclusive right to purchase wholesale or retail Water and Wastewater Utility Service of any kind or nature from JEA to service the Property and until expiration of this Letter of Intent, JEA agrees that it will not take a position adverse to the Utility Company in its application for the PSC Certification at the administrative or judicial levels, and will cooperate in good faith with the Utility Company in its application for the PSC Certification.
- 4. Failure to Obtain Certification. In the event DDI or the Utility Company shall abandon the PSC Certification application or if the PSC application is finally denied without appeal, or if JEA and DDI are unable to reach mutual agreement upon final terms and provisions of the Service Agreement, then in such event JEA, DDI and Utility Company acknowledge and agree that they shall mutually agree upon a division of a comparable contiguous service territory such that the integrity of the system is maintained to the greatest extent possible as to the Duval County customers.
- 5. Term of this Letter of Intent. This Letter of Intent shall remain in effect until the earlier of (i) such time as DDI or the Utility Company shall abandon the PSC Certification application; (ii) such PSC Certification application shall be finally denied without appeal; or (iii) twenty four (24) months from the date hereof as may be extended thereafter for such period of time as the Utility Company continues pursuit of any contested element of the

JEA Letter of Intent	
April 14, 1999	
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PSC Certification through the administrative or judicial process, it being intended that the term of this Letter of Intent shall be extended through the time period of any such proceedings.

DDI and JEA intend that this letter represents their agreement to negotiate in good faith with respect to the term of the final Service Agreement on the general terms and conditions outlined herein. The parties acknowledge that no legal obligation is created between JEA and DDI as to the terms of the final Service Agreement until such time as DDI or the Utility Company and JEA shall enter into the Service Agreement on terms acceptable to both of them. Each party to this Letter of Intent represents that it has the authority to execute and deliver this Letter of Intent without the consent or joinder of any other party.

If the foregoing correctly reflects our understandings, please execute the enclosed acknowledgment copy of this letter.

Print Name: ______ [CORPORATE SEAL]

The undersigned acknowledges and agrees to the foregoing.

Print Name: Couthy Barnwell

JEA, a body politic

Name: Walter P. Bussells
Title: Managing Director and
Chief Executive Officer

[CORPORATE SEAL]

JEA Lette	er of Intent
April 14,	1999
Page 5	

APPROVED:

Office of General Counsel

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21 West Church Sucol Juditonville, Clouds 22207 (1139)



January 7, 2000

Mr. Harry Francis
Nocatee Utility Corporation
4310 Pablo Oaks Court
Jacksonville, Florida 32224

Reference: Nocatee Project Service Availability

Dear Mr. Francis:

This is in response to your request for availability letter dated December 6, 1999 for water, wastewater, and reuse services for the Nocatee project. JEA can provide service for all five phases of the project to meet the flow projections you provided in accordance with the attached agreement for wholesale water and wastewater services between JEA and D.D.I., Inc. dated April 14, 1999.

Please note that JEA is currently constructing a 24 inch water transmission line and a 20 inch sewer transmission line which will be immediately adjacent to the proposed Nocatee project on US 1. Additionally, please note that JEA is also constructing a 20 inch reuse transmission line to a point located at the intersection of US 1 and the JEA electric transmission easement located north of Old St. Augustine Road.

Please call me at (904) 665-4642 if you have any comments or questions concerning this availability letter. We look forward to working with you on this exciting project.

Sincerely,

Scor Kelly

Vice President of Construction and Maintenance

Attachment

cc: Karl Hankin, JEA

NOCATEE UTILITY CORPORATION

4310 Pablo Oaks Court Jacksonville, Florida 32224

H. J. Skelton, President/Director Harry D. Francis, V.P./Secretary

December 6, 1999

Mr. Karl Hankin
JEA
21 W. Church Street
Jacksonville, Florida 32202

Reference:

Nocatee Project

Service Availability

Dear Mr. Hankin:

We hereby request an availability letter for water, wastewater, and reuse water from JEA to Nocatee Utility Corporation for the Nocatee Project. We are assuming that JEA will be the wholesale provider (per the existing letter of intent) for all five phases of the project. The projected Average Daily Flows (ADF) are as follows:

Phase	Water ADF (MGD)	Wastewater ADF (MGD)	Reuse* ADF (MGD)
Phase 1 (2002-2007)	0.729	0.614	1.228
Phase 2 (2007-2012)	1.111	0.941	0.840
Phase 3 (2012-2017)	1.494	1.285	1.352
Phase 4 (2017-2022)	1.422	1.213	1.341
Phase 5 (2022-2027)	1.365	1.156	0.629
Total	6.121	5.209	5.390

^{*} An additional 20% reuse demand will be provided by on-site stormwater.

Please respond to Mr. Douglas C. Miller, our utility engineer (at England, Thims and Miller, Inc., 14775 St. Augustine Road, Jacksonville, FL 32258) at you earliest convenience. If you have any questions or mediadditional information, please do not hesitate to call Mr. Miller at (904)642-8990.

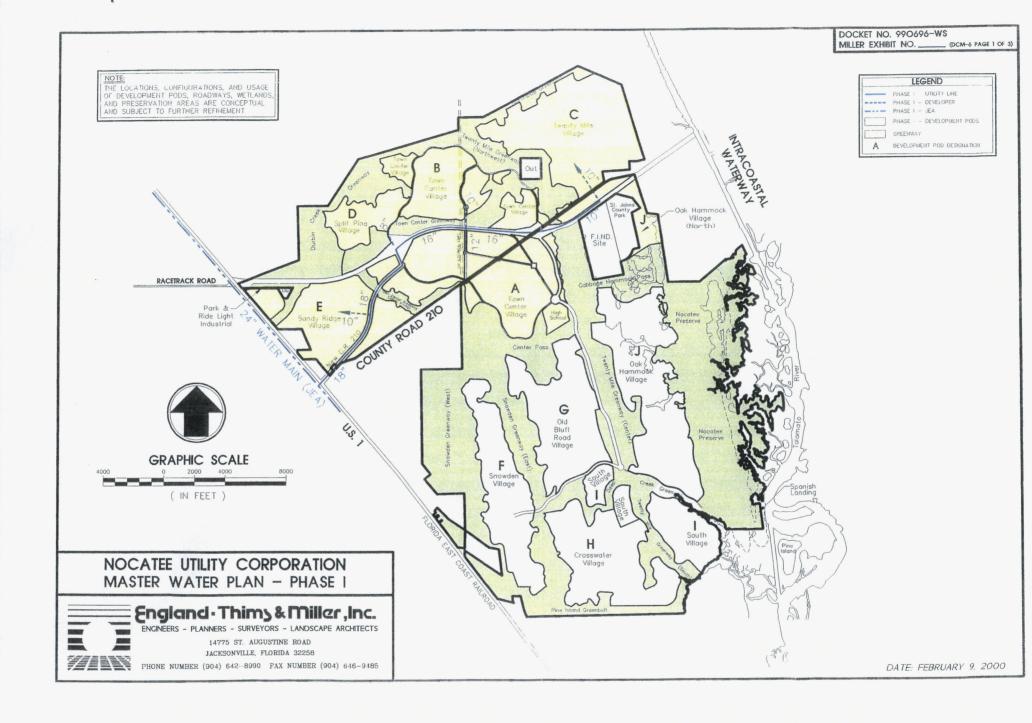
Sincerely,

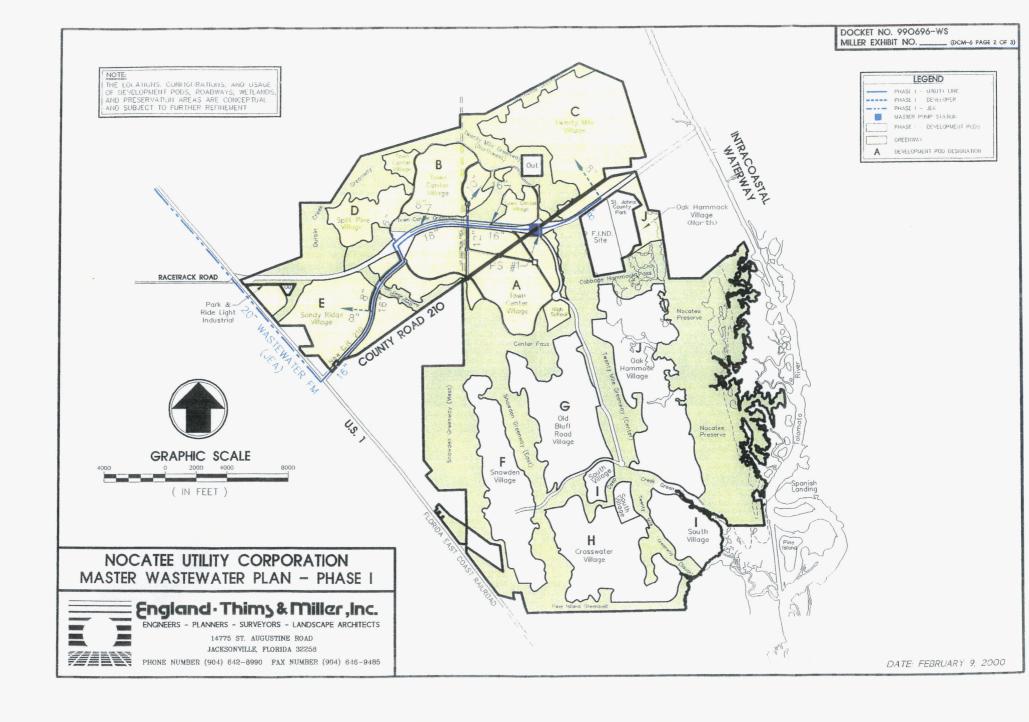
NOCATEE UTILITY CORPORATION

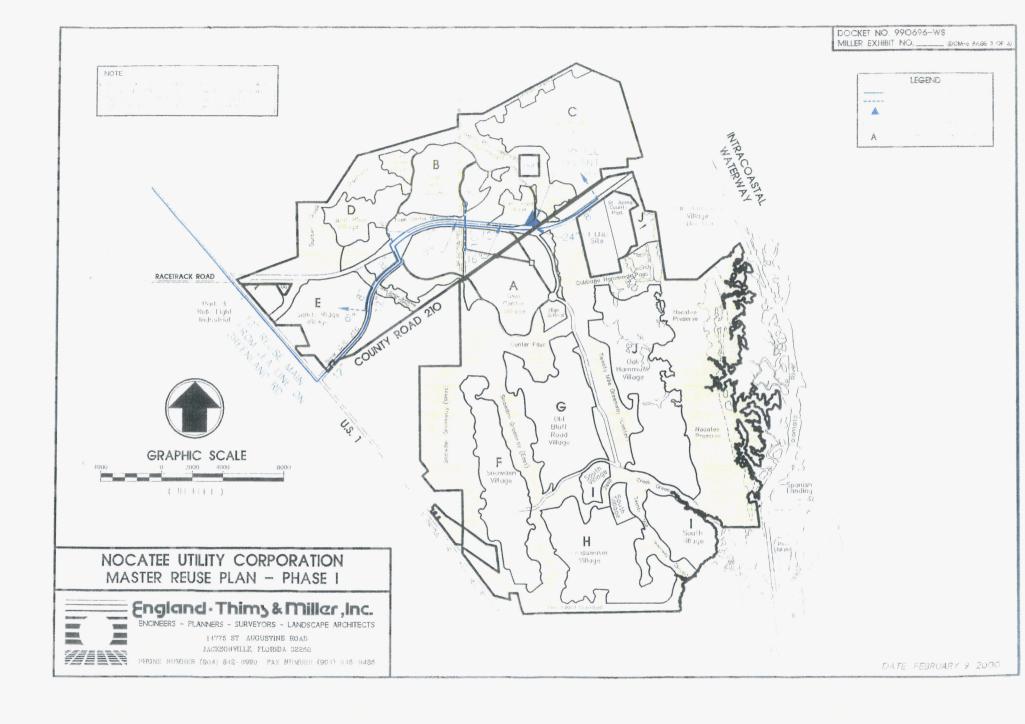
Harry D. Francis

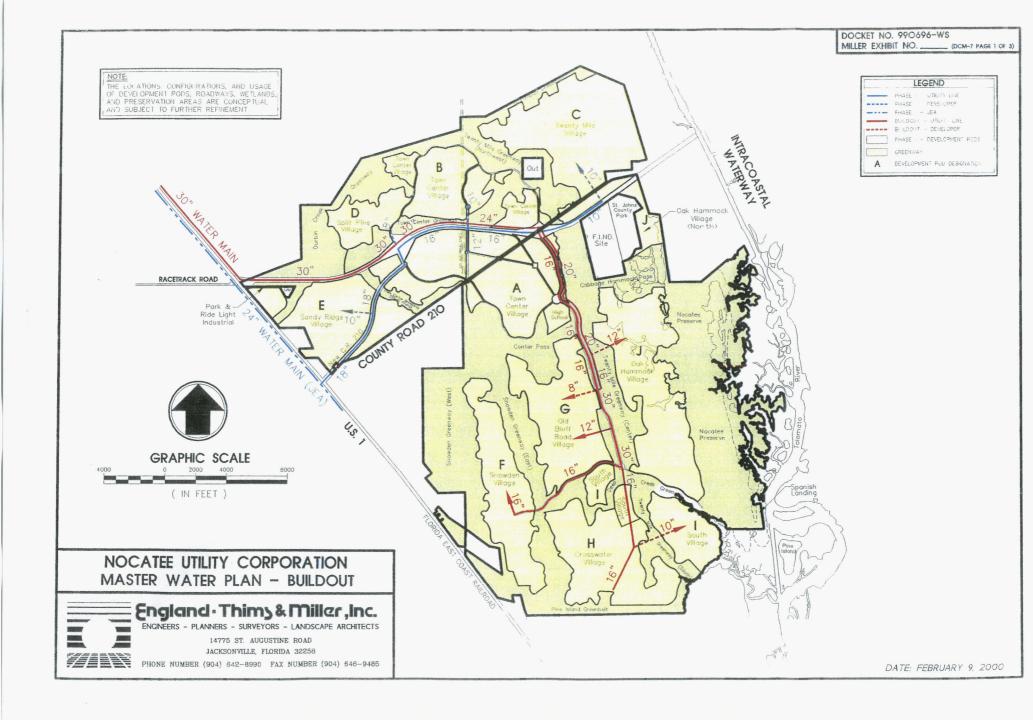
Vice President

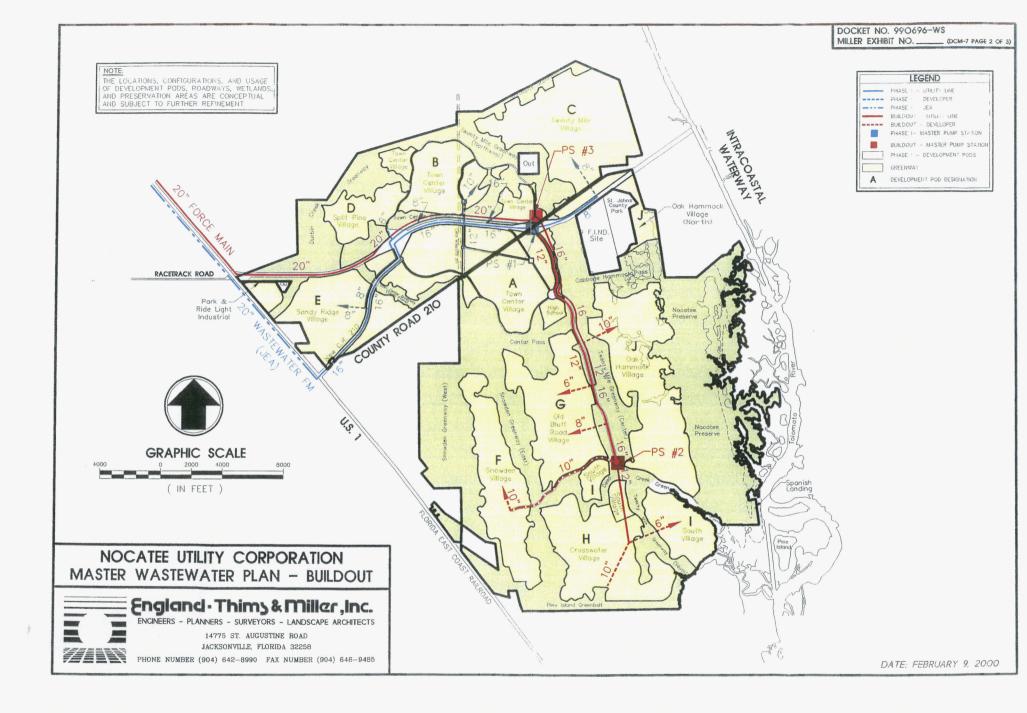
cc: Scott Kelly

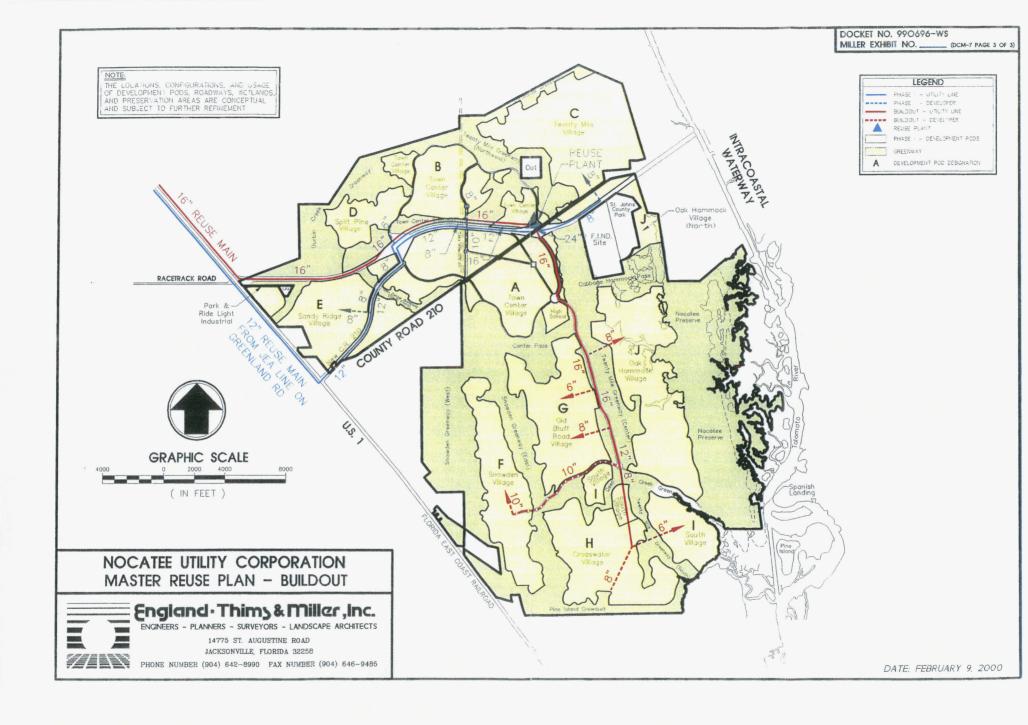












WATER FACILITY COST ESTIMATES PHASE 1

Account	Account	Year 1	Year 2	Year 3	Year 4	Year 5	
Number	Description	Additions	Additions	Additions	Additions	Additions	
301	Organization	\$0	\$0	\$0	\$0	\$0	
302	Franchises	\$0	\$0	\$0	\$0	\$0	
303	Land and Land Rights	\$0	\$0	\$0	\$0	\$0	
304	Structures and Improvements	\$0	\$0	\$0	\$0	\$0	
305	Collecting and Impounding Reservoirs	\$0	\$0	\$0	\$0	\$0	
306	Lake, River, and Other Intakes	\$0	\$0	\$0	\$0	\$0	
307	Wells and Springs	\$0	\$0	\$0	\$0	\$0	
308	Infiltration Galleries and Tunnels	\$0	\$0	\$0	\$0	\$0	
309	Supply Mains	\$0	\$0	\$0	\$0	\$0	
310	Power Generation Equipment	\$0	\$0	\$0	\$0	\$0	
311	Pumping Equipment	\$100,000	\$0	\$0	\$0	\$0	
320	Water Treatment Equipment	\$0	\$0	\$0	\$0	\$0	
330	Distribution Reservoirs and Standpipes	\$0	\$0	\$0	\$0	\$0	
	Steel Pneumatic Tank	\$0	\$0	\$0	\$0	\$0	
	Concrete Ground Storage Reservoir	\$0	\$0	\$0	\$0	\$0	
331	Transmission and Distribution Mains (Plant)	\$1,097,247	\$0	\$0	\$0	\$0	
331	Transmission and Distribution Mains (Developer Contributed)	\$527,379	\$348,922	\$348,922	\$348,922	\$348,922	
333	Services (Developer Contributed)	\$79,040	\$79,040	\$79,040	\$79,040	\$79,040	
334	Meters and Meter Installations (Developer Contributed)	\$50,600	\$50,600	\$50,600	\$50,600	\$50,600	
335	Hydrants (Developer Contributed)	\$83,720	\$83,720	\$83,720	\$83,720	\$83,720	
339	Other Plant and Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	
340	Office Furniture and Equipment	\$10,000	\$0	\$0	\$0	\$0	
341	Transportation Equipment	\$0	\$0	\$0	\$0	\$0	
342	Stores Equipment	\$5,000	\$0	\$0	\$0	\$0	
343	Tools, Shop and Garage Equipment	\$0	\$0	\$0	\$0	\$0	
344	Laboratory Equipment	\$0	\$0	\$0	\$0	\$0	
345	Power Operated Equipment	\$0	\$0	\$0	\$0	\$0	
346	Communication Equipment	\$2,500	\$0	\$0	\$0	\$0	
347	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	
348	Other Tangible Plant	\$0	\$0	\$0	\$0	\$0	
		\$1,955,486	\$562,282	\$562,282	\$562,282	\$562,282	\$4,204,

WASTEWATER FACILITY COST ESTIMATES PHASE 1

Account	Account	Year 1	Year 2	Year 3	Year 4	Year 5	
Number	Description	Additions	Additions	Additions	Additions	Additions	
351	Organization	\$0	\$0	\$0	\$0	\$0	
352	Franchises	\$0	\$0	\$0	\$0	\$0	
353	Land and Land Rights	\$0	\$0	\$0	\$0	\$0	
354	Structures and Improvements	\$257,600	\$0	\$0	\$0	\$0	
354	Structures and Improvements (Developer Contributed)	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	
360	Collection Sewers - Force	\$1,426,074	\$0	\$0	\$0	\$0	
360	Collection Sewers - Force (Developer Contributed)	\$202,716	\$87,906	\$87,906	\$87,906	\$87,906	
361	Collection Sewers - Gravity (Developer Contributed)	\$527,183	\$527,183	\$527,183	\$527,183	\$527,183	
362	Special Collecting Structures	\$0	\$0	\$0	\$0	\$0	
363	Services to Customers (Developer Contributed)	\$96,980	\$96,980	\$96,980	\$96,980	\$96,980	
364	Flow Measuring Devises	\$50,000	\$0	\$0	\$0	\$0	
365	Flow Measuring Installations	\$0	\$0	\$0	\$0	\$0	
370	Receiving Wells	\$0	\$0	\$0	\$0	\$0	
371	Pumping Equipment	\$386,400	\$0	\$0	\$0	\$0	
371	Pumping Equipment (Developer Contributed)	\$172,500	\$172,500	\$172,500	\$172,500	\$172,500	
380	Treatment and Disposal Equipment	\$0	\$0	\$0	\$0	\$0	
381	Plant Sewers	\$0	\$0	\$0	\$0	\$0	
382	Outfall Sewer Lines	\$0	\$0	\$0	\$0	\$0	
389	Other Plant and Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	
390	Office Furniture and Equipment	\$10,000	\$0	\$0	\$0	\$0	
391	Transportation Equipment	\$0	\$0	\$0	\$0	\$0	
392	Stores Equipment	\$5,000	\$0	\$0	\$0	\$0	
393	Tools, Shop and Garage Equipment	\$0	\$0	\$0	\$0	\$0	
394	Laboratory Equipment	\$0	\$0	\$0	\$0	\$0	
395	Power Operated Equipment	\$0	\$0	\$0	\$0	\$0	
396	Communication Equipment	\$2,500	\$0	\$0	\$0	\$0	
397	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	
398	Other Tangible Plant	\$0	\$0	\$0	\$0	\$0	
		\$3,251,953	\$999,569	\$999,569	\$999,569	\$999,569	\$7,250,2

REUSE FACILITY COST ESTIMATES PHASE 1

Account	Account	Year 1	Year 2	Year 3	Year 4	Year 5	
Number	Description	Additions	Additions	Additions	Additions	Additions	
0.54		# 0		# 0	¢Ω	¢ο	
351	Organization	\$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	
352	Franchises	\$0	\$0	\$0 \$ 0	\$0 \$0	\$0 \$0	
353	Land and Land Rights	\$0	\$0	\$0 \$ 0	\$0	\$0	
354	Structures and Improvements	\$0	\$0	\$0	\$0	\$0	
360	Collection Sewers - Force	\$2,712,786	\$0	\$0	\$0	\$0	
360	Collection Sewers - Force (Developer Contributed)	\$405,093	•	\$229,897	\$229,897	\$229,897	
361	Collection Sewers - Gravity	\$0	\$0	\$0	\$0	\$0	
362	Special Collecting Structures	\$0	\$0	\$0	\$0	\$0	
363	Services to Customers (Developer Contributed)	\$69,920	\$69,920	\$69,920	\$69,920	\$69,920	
364	Flow Measuring Devises	\$32,200	\$0	\$0	\$0	\$0	
364	Flow Measuring Devises (Developer Contributed)	\$22,770	\$22,770	\$22,770	\$22,770	\$22,770	
365	Flow Measuring Installations (Developer Contributed)	\$22,770	\$22,770	\$22,770	\$22,770	\$22,770	
370	Receiving Wells	\$0	\$0	\$0	\$0	\$0	
371	Pumping Equipment	\$648,687	\$0	\$0	\$0	\$0	
380	Treatment and Disposal Equipment	\$1,016,798	\$0	\$0	\$0	\$0	
381	Plant Sewers	\$0	\$0	\$0	\$0	\$0	
382	Outfall Sewer Lines	\$0	\$0	\$0	\$0	\$0	
389	Other Plant and Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	
390	Office Furniture and Equipment	\$0	\$0	\$0	\$0	\$0	
391	Transportation Equipment	\$0	\$0	\$0	\$0	\$0	
392	Stores Equipment	\$0	\$0	\$0	\$0	\$0	
393	Tools, Shop and Garage Equipment	\$0	\$0		\$0	\$0	
394	Laboratory Equipment	\$0	\$0	\$0	\$0	\$0	
395	Power Operated Equipment	\$0	\$0	\$0	\$0	\$0	
396	Communication Equipment	\$0	\$0	\$0		\$0	
397	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	
398	Other Tangible Plant	\$0	\$0	\$ 0	\$0	\$0	
330	Other rangister land	\$4,931,024				·-	\$6,312,452

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

POST OFFICE BOX 6526

TALLAHASSEE, FLORIDA 32314

(850) 222-7500

FAX (850) 224-8551

FAX (850) 425-3415

Writer's Direct Dial No.

(850) 425-2313

February 11, 2000

ORIGINAL

GARY V. PERKO
MICHAEL P. PETROVICH
DAVID L. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPLE
DOUGLAS S. ROBERTS
GARY P. SAMS
TIMOTHY G. SCHOENWALDER
ROBERT P. SMITH
DAN R. STENGLE
CHERYL G. STUART
W. STEVE SYKES
T. KENT WETHERELL, II



BY HAND DELIVERY

JAMES S. ALVES

BRIAN H. BIBEAU

RALPH A. DEMEO

WILLIAM H. GREEN

WADE L. HOPPING

GARY K. HUNTER, JR.

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FRANK E. MATTHEWS

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GABRIEL E. NIETO ERIC T. OLSEN

ANGELA R. MORRISON

JONATHAN T. JOHNSON

RICHARD S. BRIGHTMAN

PETER C. CUNNINGHAM

RANDOLPH M. GIDDINGS

KEVIN B. COVINGTON

Blanca Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Application of Nocatee Utility Corporation -- Docket No. 990696-WS (and Consolidated Docket No. 992040-WS)

Dear Ms. Bayó:

Enclosed for filing on behalf of Nocatee Utility Corporation in Docket No. 990696-WS are the original and fifteen copies of the following:

- 1) Nocatee's Supplement and Amendment to Certificate Application. 01877-00
- Direct testimony and exhibits of H. Jay Skelton, Douglas C. Miller, and Deborah D. Swain.

By copy of this letter, these documents have been furnished to the parties on the attached service list. If you have any questions regarding this filing, please call.

Very truly yours,

Pie O. M

Richard D. Melson

RDM/mee Enclosures

cc: Certificate of Service

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was served this 11th day of February, 2000, on the following:

Samantha Cibula Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 By Hand Delivery

John L. Wharton Marshall Deterding Rose, Sundstrom & Bentley, LLP 2548 Blairstone Pines Drive Tallahassee, FL 32301

By Hand Delivery

Kenneth Hoffman
J. Stephen Menton
Rutledge, Ecenia, Purnell
& Hoffman, P.A.
P.O. Box 551
Tallahassee, FL 32302

By U.S. Mail

Suzanne Brownless 1311-B Paul Russell Road Suite 201 Tallahassee, FL 32301

By U.S. Mail

Prie O Men

Attornev