

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Applications For An Amendment )  
Of Certificate For An Extension )  
Of Territory And For an Original )  
Water And Wastewater Certificate )  
(for a utility in existence and charging )  
for service) )

Docket No. 992040-WS

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In re: Application by Nocatee Utility )  
Corporation for Original Certificates for )  
Water & Wastewater Service in Duval )  
and St. Johns Counties, Florida )

Docket No. 990696-WS

REBUTTAL TESTIMONY OF

JIM MILLER

ON BEHALF OF INTERCOASTAL UTILITIES, INC.

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1 assumed that Mr. Miller has now conceded that the annual usage rate for golf  
2 courses in north Florida are much lower, as originally noted by ICU.

3 Q. In his testimony, Mr. Miller states that he believes certain commitments  
4 regarding utility service will become conditions of development approval, and  
5 that Intecoastal's plan of service will be inconsistent with those commitments.  
6 Please comment on this aspect of Mr. Miller's testimony.

7 A. There is nothing unique about NUC's ability to meet the commitments that may  
8 become a part of the development approval. The environmental considerations,  
9 development schedules, etc. placed by in the Application for Development  
10 Approval appear to be no more than a tool used by the developer and NUC to  
11 portray NUC as the only viable candidate to serve the Nocatee development.  
12 Their exclusive Letter of Intent with JEA has put NUC in a position to force ICU  
13 or any other utility provider out of consideration. Many of the initial plans for  
14 utility service considered by NUC included on-site plants, etc. It was not until  
15 a Letter of Intent was signed with JEA that development constraints and other  
16 conditions began to appear in the various testimonies and application revisions.  
17 Had JEA been willing to negotiate with ICU, it is clear from the experience and  
18 economy of scale that a ICU/JEA arrangement would benefit the ultimate  
19 customer more than the NUC proposal. The proposed conditions of  
20 development (NEWRAP) that will likely become a part of the final development  
21 order, at first glance, appears to completely eliminate any environmental impact  
22 and create a "win-win" situation for everyone. However, this impact on the  
23 environment doesn't disappear, it is merely shifted to other areas outside the  
24 development, such as the Mandarin area of Duval County, which is already  
25 suffering because of uncontrolled growth and is currently under strict water

1 conservation orders by the St. Johns River Water Management District.

2 Q. Is the ICU proposal for supplying reclaimed water or reuse similar to the plan  
3 proposed by NUC?

4 A. ICU proposes to provided closed storage reservoirs and repumping facilities the  
5 same as NUC. However, ICU's reclaimed water supply will come from the  
6 existing and proposed ICU treatment facilities, unless a relationship with JEA  
7 is ultimately deemed by Intercoastal and the Commission to be in the ultimate  
8 customer's best interest.

9 Q. In your opinion, can ICU meet Nocatee's timetable for the provision of  
10 construction water by 2001?

11 A. I believe the timetable is achievable if the issues of this application are resolved  
12 in a timely manner. Initially, I am aware of Mr. Forrester's testimony regarding  
13 a possible discrepancy in the development's timetable between what has been  
14 said in the press and what was represented in NUC's application. I agree with  
15 Mr. Forrester's conclusion that IU will either be able to offer construction water  
16 by the provision of temporary facilities or, if in fact the development is delayed,  
17 by permanent facilities which will be in place at the time construction water is  
18 demanded. I would note that with regard to the effect of this proceeding on  
19 meeting these timetables, that this case will affect both applicants equally in  
20 terms of delaying their ability to put into place the facilities necessary to provide  
21 construction water.

22 Q. Please respond to the testimony of Mr. Miller that the wastewater force mains  
23 proposed by ICU are inadequately sized to meet the needs of the first phase of  
24 development.

25 A. It appears that Mr. Miller's statement was made prior to reviewing the revised

1 Conceptual Master Plan prepared by PBS&J. This revised plan was prepared  
2 after additional development information was released by Nocatee. Accordingly,  
3 Mr. Miller's statement in that regard is in error.

4 Q. Please comment upon Nocatee's suggestion that 650,000 gpd is the correct  
5 figure for Phase 1 reuse demand on the golf course.

6 A. Mr. Miller, in his telephonic deposition on April 10, 2000, finally clarifies that  
7 the 650,000 gpd is the peak demand during dry weather months. He still fails  
8 to state an annual average daily demand for golf course irrigation, which in our  
9 opinion is typically in the range of 300,000 to 400,000 gallons per day, as I  
10 stated in my intervenor's testimony of March 17, 2000.

11 Q. Based on your experience and expertise, would you anticipate that Intercoastal  
12 would be able to expand its existing consumptive use permit as necessary to  
13 provide service to the territory Intercoastal proposes to add to its certificated  
14 territory?

15 A. Yes. Based on my knowledge of Intercoastal and of the local area and the  
16 information which I have reviewed in preparation for my testimony in this case,  
17 I would expect that the Water management District would be receptive to the  
18 application of Intercoastal in that regard. Of course, this Commission's approval  
19 of Intercoastal's application is a prerequisite to that process. However, and  
20 particularly in light of the fact that Intercoastal has a history of working closely  
21 and cooperatively with the Water Management District, I would not anticipate  
22 any significant hurdles in the CUP process for Intercoastal if its application  
23 before the Commission has granted.

24 Q. From an engineering standpoint, do you believe that if in fact Intercoastal is not  
25 ultimately the service provider for the Walden Chase development that it will

1 affect Intercoastal's application or proposal in any material way?

2 A. No. Intercoastal's plan of service is adaptable, as any utility's plan of service  
3 must be, such that it can be implemented even if developments not currently  
4 foreseen are constructed and/or even if some developments which are currently  
5 planned do not, in fact, come to fruition. Intercoastal's plan of service could be  
6 implemented in harmony with the County's proposed plan to render service to  
7 that development.

8 Q. Have you reviewed the testimony of M.L. Forrester?

9 A. Yes

10 Q. Do you agree with the testimony of Mr. Forrester, on pages 10 and 11.

11 A. Yes, the ICU revised CMP force main sizing was based on new data provided  
12 by NUC's engineers. However, I do notice a considerable amount of conflict  
13 between the Direct Testimonies of Doug Miller (NUC) and Scott Kelly (JEA). In  
14 Scott Kelly's direct testimony and exhibit SDK-2 he indicated that JEA is  
15 constructing "oversized" lines (20" water and 16" sewer force main) to a point  
16 south of the intersection of U.S. 1 and C.R. 210 to serve Walden Chase and  
17 Phase 1 of Nocatee. In Doug Miller's direct testimony and utility maps prepared  
18 2/9/2000, the JEA lines were shown as 24" water and 20" sewer force main,  
19 with Nocatee requiring a Phase 1 connection of 18" for water and 16" for the  
20 sewer force main. Additionally Mr. Miller stated that the point of connection to  
21 JEA will be at the intersection of U.S. 1 with the Duval County line, while the  
22 maps prepared by his engineering firm indicates the Phase 1 point of connection  
23 at U.S. 1 and C.R. 210. This still leaves some confusion regarding line sizing  
24 and points of connection, particularly since JEA's lines serve not only Nocatee,  
25 but Walden Chase and Marshall Creek developments.

1 Q. Please discuss the provision of bulk service as proposed by JEA.

2 A. Wastewater treatment for Nocatee through the bulk service agreement with JEA  
3 will be initially provided at the Mandarin WRF located near Interstate 295 at  
4 State Road 13. This facility has a design capacity of 7.5 million gallons per day  
5 with current average daily flow of approximately 5.0 million gallons per day. The  
6 plant currently discharges its effluent to the St. Johns River. Construction of  
7 reclaimed water storage and pumping station is scheduled to get underway,  
8 shortly, to divert a portion of the effluent for reuse. Unless JEA is planning to  
9 provide future service to Nocatee from a new treatment facility, expansion of  
10 the Mandarin WRF will have to occur in the near future. Even Phase I flows will  
11 "trigger" design of expansion to the Mandarin WRF, unless other treatment  
12 facilities are planned in the area. Expansion of these facilities or even new  
13 facilities in or near the Mandarin area will likely cause "political turmoil" in an  
14 area that has historically been protective of its environment. In recent months  
15 the Mandarin residents have also been complaining about the impact JEA wells  
16 are having on existing private wells serving many of the residencies along the  
17 river. There will even more concern with the Mandarin residents find that their  
18 water supply will now be tapped by St. John's County (Nocatee) residents.  
19 Ultimate JEA planning provides a water supply coming from the westerly areas  
20 of the county via a submerged pipeline crossing the St. Johns River. However,  
21 this pipeline and supply will not be in place to minimize the perception that  
22 Mandarin is being sacrificed to preserve some self imposed environmental  
23 constraints initiated by the Nocatee developers. The Nocatee Groundwater  
24 Supply Development Plan, prepared by Nocatee but now apparently abandoned  
25 by the developer, outlines the orderly development of an on-site groundwater

1 supply for Nocatee that minimizes the impact on the environment. NUC has  
2 elected to forgo this extensive study in favor of a bulk agreement for water  
3 from JEA that will not impact Nocatee, but will have a definite impact on areas  
4 of Duval County. To rely on bulk service from JEA has no more of a positive  
5 environmental impact than providing on-site supply and treatment. It just shifts  
6 the environmental impact to other areas and serves no more purpose than a  
7 marketing tool for Nocatee. The ICU plan provides on-site supply, treatment,  
8 and disposal while still maintaining environmental sensitivity. It also utilizes an  
9 existing effluent source to supplement reuse demands, thus reducing or  
10 eliminating a discharge to the Intracoastal Waterway.

11 Q. Are you familiar with JEA's proposed reuse plans?

12 A. Yes.

13 Q. Have you reviewed Mr. Forrester's Rebuttal Testimony, at pages 5 through 7  
14 thereof, where he discusses that reuse program and are you in agreement with  
15 his conclusions?

16 A. Yes, I have reviewed that testimony and I share Mr. Forrester's opinions in that  
17 regard. Under any foreseeable scenario, JEA will only reuse a fraction of the  
18 water generated by the Nocatee development while Intercoastal proposes to  
19 recycle 100% of its wastewater flows (including 100% of Nocatee's  
20 wastewater).

21 Q. In your opinion, from an engineering standpoint, is the proposed plan of service  
22 of Intercoastal superior to the proposed plan of service of NUC?

23 A. Yes, based on my review of all the information and consistent with my  
24 testimony in this case, it is my opinion that ICU has proposed a superior plan  
25 of service to that proposed by NUC. Additionally, as discussed elsewhere in the



1 testimony of Intercoastal's witnesses, even to the extent the Commission  
2 determines that NUC has proposed a preferable plan of service by and through  
3 its utilization of JEA, that same type of cooperative agreement could in all  
4 likelihood be implemented between ICU, should it be certificated this territory  
5 by the Commission, and JEA. In other words, under either scenario, I believe  
6 that Intercoastal would be the superior provider of service and is the preferable  
7 applicant for this territory.

8 Q. Does this conclude your testimony?

9 A. Yes, it does.

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