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TIMOTHY DEVLIN, DIRECTOR DIVISION OF ECONOMIC REGULATION (850) 413-6900

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Hublic Service Commission

October 18, 2007

Mr. Mike McDaniel, Chief Office of Comprehensive Planning Department of Community Affairs 2555 Shumard Oak Boulevard Tallahassee, FL 32399-2100

Re: Docket No. 070109-WS; Application for amendment of Certificates 611-W and 527-S to extend water and wastewater service areas to include certain land in Charlotte County by Sun River Utilities, Inc. (f/k/a MSM Utilities, LLC)

Dear Mr. McDaniel:

This application pending before the Commission has been protested by Charlotte County. Your office provided a letter to this agency on May 4, 2007, stating that the proposed amendment was not consistent with Charlotte County's comprehensive plan. An effort has been made to mediate the dispute and reach a settlement, but mediation was not successful.

To resolve the protest, the matter has been set for hearing on January 16 and 17, 2008. To include the comments proffered by the Department of Community Affairs, the Commission will need a witness from your department to prepare testimony to be filed, and to appear as a Commission staff witness at the hearing. To meet the scheduled date for filing testimony of November 8th, the draft testimony from the DCA will be needed by November 2nd.

Enclosed is a copy of testimony provided by DCA witness Valerie James in another Commission proceeding, Farmton. Ms. James explained the position of the DCA in her testimony in that case in just over three pages. This format would suffice again in this docketed proceeding.

Please call if you have any questions at 413-6950.

Sincerely yours,

Thomas Walde

Thomas Walden, Engineer Specialist

TW:kb Enclosure Cc: Office of Commissioner Clerk 0-639 M Prove M 1000

Internet E-mail: contact@psc.state.fl.us

DOCKET NO. 021256-WU – Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources, LLC

WITNESS: Direct Testimony of Valerie James, representing the Florida Department of Community Affairs, appearing on behalf of the Staff of the Florida Public Service Commission

DATE FILED: March 11, 2004

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DOCUMENT NUMBER-DATE 03412 HAR 11 3 FPSC-COMMISSION CLERK

1 **DIRECT TESTIMONY OF VALERIE JAMES** 2 Q. Please state your name and business address. 3 My name is Valerie James. My business address is 2555 Shumard Oak Boulevard, A. 4 Tallahassee, Florida, 32399-2100. 5 Q. By whom are you employed? 6 Α. I am employed by the Florida Department of Community Affairs (DCA), in the Bureau 7 of Comprehensive Planning. 8 Q. Could you please summarize your educational background and work responsibilities? 9 Α. At the DCA, I am a Planner, and have worked with the DCA since 1990. I have a 10 Bachelors Degree in Public Administration. In my job, I am responsible for the 11 implementation and administration of Volusia and Brevard Counties Comprehensive Planning 12 (Chapter 163, F.S.), the Development of Regional Impact Program (Chapter 380, F.S.), and 13 interagency review coordination and provision of technical assistance to local governments. 14 Q. What is the purpose of your testimony in this proceeding? 15 Α. Pursuant to a Memorandum of Understanding between the DCA and the Public 16 Service Commission (PSC), the DCA provides information to the PSC regarding the 17 relationship of amendment applications and the respective county's comprehensive plan, 18 including information about land use categories and the densities and intensities of land use. 19 In this proceeding, DCA provided input to the PSC in February, 2003, which identified 20 inconsistencies of the application and urban sprawl concerns. The DCA believes that the 21 utility's proposal is inconsistent with several goals, objectives, and policies of the Volusia and 22 Brevard Counties, and the City of New Smyrna Beach Comprehensive Plans. Therefore, the Department is opposed to the proposed application by Farmton Water Resources, LLC for 23 24 utility services. 25 Q. Could you be more specific?

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1 Α. Yes. Portions of the proposed utility service area in Volusia County are designated Forestry Resource, Agricultural Resource, and Environmental Systems Corridor land use 2 categories, while the remaining portions in Brevard County are designated Agriculture. The 3 4 utility services are proposed in an area that is completely rural; some of these areas contain 5 natural resources that are environmentally sensitive and are intended to be protected. Therefore, extension of services into this area would encourage urbanization of rural, 6 7 agriculture, and environmentally sensitive areas and may result in urban sprawl development 8 patterns. Both Volusia and Brevard Counties have identified several goals, objectives, and 9 policies in their Future Land Use Element (FLUE) plans which the proposed utility service application is inconsistent with, in addition to other objections. For example, FLUE Objective 10 11 1.1.3 requires Volusia County to limit urban sprawl by directing urban growth to those areas 12 where public facilities and services are available inside designated service areas. Brevard 13 County FLUE Objective 4 recognizes the importance of agricultural land to the community as 14 the industry benefits the economy, reduces the extent of the urban sprawl, and the costs of 15 providing public facilities and service, provides environmental benefits, and provides open space and visual beauty. The application area is outside the County's designated service area. 16 17 Volusia County FLUE Policies 7.1.1.7 and 7.1.1.11, and Brevard County FLUE Policy 4.1 18 prohibit the extension of water lines, or establishment of central systems of potable water 19 outside of the water service areas. In addition, the Cities of New Smyrna Beach and Titusville have also raised objections to the proposed utility service application. The City of New 20 Smyrna Beach has concerns over the potential impacts to existing and projected demands of 21 22 potable water wells. The City of Titusville believes that the utility's application conflicts with 23 the Comprehensive Plans for both Volusia and Brevard Counties in the areas of establishment of central water systems outside the water service areas, and unapproved water wells and 24 25 treatment plant sites.

1	Q.	Does this complete your testimony?
2	А.	Yes, it does.
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