



MARTIN COUNTY
BOARD OF COUNTY COMMISSIONERS
 2401 S.E. MONTEREY ROAD • STUART, FL 34996

090445-WS
 090459-WS

October 12, 2010

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DOUG SMITH
 Commissioner, District 1

SUSAN L. VALLIERE
 Commissioner, District 2

PATRICK HAYES
 Commissioner, District 3

SARAH HEARD
 Commissioner, District 4

EDWARD CIAMPI
 Commissioner, District 5

TARYN KRYZDA
 Acting County Administrator

STEPHEN FRY
 County Attorney

Ms. Ann Cole
 Commission Clerk
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

Re: Grove Land Utilities, LLC; PSC Docket 090445-WS and
 Bluefield Utilities, LLC; PSC Docket No. 090459-WS
 Prefiled Testimonies of John Polley and Nicki van Vonno

Dear Ms. Cole:

Attached for filing please find the original and fifteen copies of John Polley's Prefiled Testimony, together with one Exhibit, as follows:

JP-1 – Resume of John Polley *08607-10*

Also attached for filing please find the original and fifteen copies of Nicki van Vonno's Prefiled Testimony, together with three Exhibits, as follows:

08608-10
 NVV-1 – Resume of Nicko van Vonno
 NVV-2 – Sections of the Martin County Comprehensive Growth Management Plan
 NVV-3 – Copy of Department of Community Affairs letter dated January 7, 2010, to the Public Service Commission in this matter

COM _____
 APA _____
 ECR I
 GCL I
 RAD I
 SSC _____
 ADM _____
 OPC _____
 CLK _____

TELEPHONE
 772-288-5434

WEB ADDRESS
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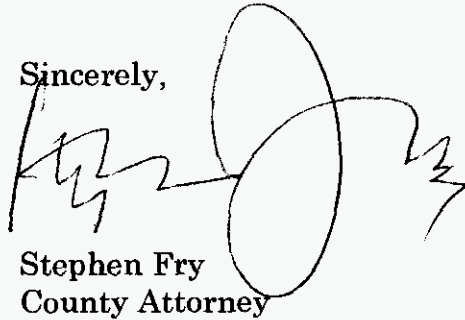
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08607 OCT 14 2010

FPSC-COMMISSION CLERK

Please let me know if you have any questions regarding these materials.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Fry', with a large, stylized loop on the right side.

Stephen Fry
County Attorney

SF/sfl

cc: Martin County Board of County Commissioners
Caroline Klancke, General Counsel, PSC
John L. Wharton, Esq.
Theresa J. Fontana, Esq.
Michael Minton, Esq.
R.N. Koblegard, III, Esq.
Daniel S. McIntyre, St. Lucie County Attorney
Phillip C. Gildan, Esq.
Bluefield Utilities, LLC, ATT: Ronald Edwards
Tom W. Conely, III, Esq.
Dept. of Community Affairs, ATT: Mike McDaniel
Kevin Powers, SFWMD Governing Board Member
Carol Wehle, Executive Director, SFWMD

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DIRECT TESTIMONY
OF
JOHN POLLEY,
ON BEHALF OF MARTIN COUNTY, FLORIDA

TO
THE STATE OF FLORIDA
PUBLIC SERVICE COMMISSION
RE: APPLICATION OF BLUEFIELD UTILITIES, LLC
TO OPERATE A WATER AND WASTEWATER UTILITY
IN MARTIN AND ST. LUCIE COUNTIES, FLORIDA
DOCKET NO. 090459-WS

COM 5
APA
ECR 7
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OPC
CLK 4.RPR

DOCUMENT NUMBER-DATE
08607 OCT 14 2
FPSC-COMMISSION CLERK

1 Q. **Please state your name.**

2 A. John Polley.

3 Q. **Where are you currently employed?**

4 A. Martin County, a political subdivision of the State of Florida.

5 Q. **What is your employment address?**

6 A. 2378 SE Ocean Blvd, Stuart, Florida 34996.

7 Q. **What is your position?**

8 A. I am the Utilities Director, which includes the Utilities and Solid Waste Divisions,
9 for Martin County.

10 Q. **How long have you held this position?**

11 A. Since April 2000

12 Q. **Briefly summarize your duties as Utilities Director.**

13 A. I work with officials and employees to review department operations and activities. I coordinate
14 department projects and work activities with other departments, contractors, outside agencies,
15 other municipalities. The position develops and administers the department operating budget
16 and capital improvement budget. The position coordinates and monitors operations and
17 activities of the Utility department during the design, construction, and operation of utility and
18 solid waste facilities including strategic planning and updates to the master plan. I am involved
19 in utility and solid waste operations, monitoring plant and field operations and allocation of
20 resources providing day-to-day oversight from a technical and business management viewpoint.

21 Q. **Briefly summarize your professional background.**

22 A. I received a Bachelor of Science degree in Environmental Science from the Florida Institute of
23 Technology in 1982. I have over 26 years of experience in all aspects of the design, financing

1 construction and operations of water and wastewater utilities. I have been employed by Martin
2 County since 1984.

3 Q. **I will hand you a document marked as Exhibit JP-1. Do you recognize this document?**

4 A. Yes, it is a copy of my resume as last updated.

5 Q. **Are you familiar with the Application of Bluefield Utilities, LLC has filed with the Florida Public
6 Service Commission?**

7 A. Yes.

8 Q. **How are you familiar with it?**

9 A. I have reviewed the Application and related material.

10 Q. **Based on your review of Bluefield's Application, can you describe its proposed location
11 Relative to Martin County?**

12 A. The application contains a map that illustrates the property within Martin County that is subject
13 to the application. The application materials "Development Phases Draft" Map shows its
14 location and states that it is 1,175 acres, however Martin County's GIS staff shows this area to
15 be approximately 2,300 acres. It is adjacent to the St. Lucie County border in northwestern
16 Martin County.

17 Q. **Do you know who owns the property where Bluefield proposes to locate?**

18 A. According to the application, Evans Properties, Inc. I also verified that statement on the
19 Property Appraiser's website.

20 Q. **During the time you have been with the Martin County Utilities Department has anyone on
21 behalf of Evans Properties, Inc. approached the Utilities Department requesting to have
22 public water service?**

23 A. No

24 Q. **Is it possible for a request to have been made and you were not aware of it?**

- 1 A. No, all official requests for service to a new area must have my approval.
- 2 Q. **Within the area surrounding the Evans property, are you aware of any of the other**
- 3 **Surrounding property owners making a request to Martin County Utilities?**
- 4 A. No.
- 5 Q. **Do you have any knowledge as to the number of connections that Bluefield is proposing over**
- 6 **the next 5 to 6 years?**
- 7 A. Yes.
- 8 Q. **What is your understanding?**
- 9 A. 177 Equivalent Residential Connections (ERCs)
- 10 Q. **Do you know how many of the new connections are in Martin County?**
- 11 A. 18 ERCs in phase 1 with a total of 59 for phases 1 through 6
- 12 Q. **What do you base your knowledge on?**
- 13 A. Exhibit D of the application.
- 14 Q. **Do you have a professional opinion as to whether this is an efficient way to provide new**
- 15 **water service?**
- 16 A. Yes.
- 17 Q. **What is your professional opinion?**
- 18 A. In my opinion, providing water and wastewater service to such a small number of customers
- 19 scattered over a large tract of land is extremely inefficient. There are no opportunities to
- 20 achieve any economies of scale. There are few customers over which to spread large
- 21 infrastructure and operational costs.
- 22 Q. **How does the Martin County Utilities Master Plan Update provide for utilities in the area of**
- 23 **Bluefield's application?**
- 24 A. This issue is not addressed as the property in question is outside the County's Service Area.

1 Q. **Can you tell from your review of Bluefield's Application if Bluefield has had any written**
2 **requests for service?**

3 A. The application contained a letter from Mr J. Emmet Evans III, VP of Evans Properties. In the
4 letter Mr Evans supported the application and requested service.

5 Q. **Do you have any understanding as to the relationship of Evans Properties, Inc. to Bluefield**
6 **Utilities, LLC?**

7 A. Yes.

8 Q. **What is your understanding of the relationship?**

9 A. Bluefield Utilities, LLC is wholly owned by Evans Utilities, Inc. which in turn, is wholly owned by
10 Evan Properties, Inc.

11 Q. **In your review of Bluefield's Application, did you see any requests for service from anyone**
12 **other than representatives of Evans Properties, Inc.?**

13 A. No.

14 Q. **Is Evans property where Bluefield is proposing to locate within Martin County Utilities service**
15 **area?**

16 A. No

17 Q. **In your professional opinion, if Bluefield Utility receives a certificate to provide water and**
18 **wastewater utility at the location proposed in its application, would this constitute or**
19 **promote urban sprawl?**

20 A. In my professional opinion, yes, it would.

21 Q. **Can you explain?**

22 A. The provision of water and wastewater facilities and services in a rural area will encourage
23 Development that is not compatible with existing land uses in terms of density, intensity and
24 land use type.

1 Q. **If Urban Sprawl is allowed, what type of effects can be expected on the provision of utilities,**
2 **including customer rates?**

3 A. Higher per capita costs for infrastructure, operations and maintenance will drive rates
4 higher. Less dense development results in a higher cost of providing public infrastructure.
5 The cost of water and sewer lines will also increase with lower density. In an example
6 where density in a town is one half of another city or town the total distance of the water
7 and sewer lines that have to be installed in the new city will be approximately twice what it
8 was in the more dense city. The result is that the cost of installing and maintaining water
9 and sewer lines will nearly double.

10 Q. **Is it clear from the Bluefield's Application what other services the Bluefield plans to provide?**

11 A. No it is very unclear and there are no specifics provided in the application.

12 Q. **Are you aware of the 1st set of Interrogatories promulgated by the Staff of the Florida Public**
13 **Service Commission and the responses of Grove Land Utilities and Bluefield Utilities?**

14 A. Yes. I reviewed the document.

15 Q. **Based on the responses, are you aware of any plans by Bluefield to provide any services other**
16 **than residential water and wastewater services?**

17 A. There is a general discussion of creating alternative water supplies (AWS) by capturing
18 stormwater run-off to allow bulk sales to supplement the areas need for water, both potable
19 and non-potable. There are no specifics provided in the application as to the cost of these
20 services. There is no discussion of capital costs necessary to develop the AWS. There is no
21 discussion of rate design for these services.

22 The answers indicate that Grove Land is interested in providing Alternative Water Supply (AWS)
23 in Indian River County and northern St. Lucie County. They also state that "Similar facilities to

1 those being proposed for Grove Land could likewise be constructed by Bluefield to provide
2 similar environmental benefits to the Lagoon and water supply to development within
3 Bluefield's proposed service area as well as the City of Port St. Lucie, St. Lucie County and Martin
4 County." Bluefield states that is "has had discussions with the City of Port St. Lucie, for one, in
5 the past about potential AWS activities." Martin County has had no such discussions with
6 Bluefield and the application for Bluefield has no specifics for such a plan in Martin County. In
7 addition, Martin County and the Public Service Commission have not been given any
8 information on the rates.

9 The County Utility water supply is required to have a consumptive use permitted issued by
10 South Florida Water Management District (SFWMD). Nothing in the application or documents
11 shows that SFWMD has approved this proposal either for the purposes of water supply,
12 alternative water supply or for supplying the necessary connection between St Lucie County and
13 Martin County. It is my opinion that this application is premature.

14 **Q. Does Martin County Utilities have need for Alternative Water Supply?**

15 **A.** Not for the foreseeable future.

16 **Q. If Martin County or any other jurisdiction was required to obtain Alternative Water Supply
17 from Bluefield, would they have any idea what the rates would be?**

18 **No.**

19 **Q. After reviewing Bluefield's Application can you determine what the rates would be for
20 Anything other than residential service?**

21 **A.** No. In my opinion Bluefield's application does not make its plans clear. Therefore, the local
22 governments involved have no way to determine if the application or Bluefield's plans comply
23 with the Martin County Comprehensive Growth Management Plan or the Martin County Utilities
24 Master Plan Update. Without specifics on Bluefield's plans for services, the Public Service

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Commission should not approve Bluefield's services or rates.

End of Testimony.

Dated this 8th day of October, 2010



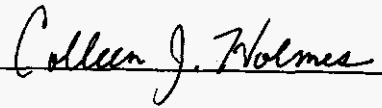
John Polley

STATE OF FLORIDA

COUNTY OF MARTIN

The foregoing instrument was sworn to and acknowledged before me this 8th day of October, 2010, by John Polley, who is personally known to me, and who has taken an oath.

(SEAL)



Colleen J. Holmes

Notary Public

My Commission Expires:



JOHN POLLEY

**2378 SE OCEAN BLVD
STUART, FLORIDA 34996
(772) 221-1442**

EDUCATION

- Bachelor of Science in Environmental Technology, Florida Institute of Technology
- Graduated March 1982, Magna Cum Laude
- Major coursework in Water and Wastewater Engineering, Water Quality Analysis, Urban Planning, Contracts and Grants, Hydrogeology

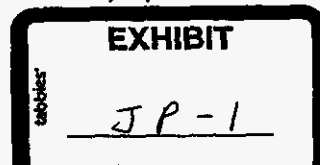
EXPERIENCE

**April 2000 - Present
Martin County BOCC
Utilities and Solid Waste Director**

- Develop and administer department operating and capital improvement budget.
- Coordinate department projects with regulatory agencies, contractors, outside agencies and other municipalities.
- Monitors activities of department during design, financing, construction and operations of facilities from a technical and business management viewpoint.
- 111 full time employees
- \$81,000,000 operating and capital improvement budget.
- Manage two Regional Brackish Desalination Water Treatment Facilities with a combined capacity of 18.8 million gallons a day.
- Manages two Regional Advanced Wastewater Treatment Facilities capable of providing 8.8 million gallons a day of reclaimed water.
- Manages Solid Waste Transfer and Recycling Facility processing 440 tons of solid waste per day.

**1989 – 2000
Martin County Utilities
Administrator Technical Services Division**

- Managed Engineering, Development Review and Construction Activities of the Department.
- Developed policies, standard and specifications for the operation of the Department.
- Responsible for the expansion of Water, Wastewater and Solid Waste Facilities.
- Administer Special Assessment Districts from inception through final construction adding 16,500 customers to the Utility System.



- Negotiated Developers Agreements and Contracts with Consultants.
- Managed Construction Inspection Program.
- Developed policy relative to Growth Management as it relates to water resources.

January 1984 – 1989

Various positions with the Utility Department

- Preparation of Contracts and Utility Agreements.
- Preparation of Construction Drawing and Contracts.
- Coordination of Permitting with Local, State and Federal Regulatory Agencies.
- Planning for future expansion of utility systems inclusive of well siting, master planning and financing.
- Preparation of surveys and analytical reports on operations and implementation of changes in operating procedures and methods.

AFFILIATIONS

- American Water Works Association
 - Florida Water and Pollution Control Operators Association
 - Water and Environment Federation
 - American Membrane Technology Association
 - Founding Member of the South Florida Water Resource Advisory Commission
 - Former Chairman and Current Treasurer of Treasure Coast Regional Utilities Organization
-