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MARCH 11, 2004

COMMISSION
CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (FLEMING) *KEF*

RE: DOCKET NO. 021256-WU - APPLICATION FOR CERTIFICATE TO PROVIDE WATER SERVICE IN VOLUSIA AND BREVARD COUNTIES BY FARMTON WATER RESOURCES, LLC.

Attached is the DIRECT TESTIMONY OF VALERIE JAMES on behalf of Commission Staff to be filed in the above-referenced docket.

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FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources, LLC. | DOCKET NO. 021256-WU
DATED: MARCH 11, 2004

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the DIRECT TESTIMONY OF VALERIE JAMES on behalf of The Florida Public Service Commission has been furnished to the following, this 11th day of March, 2004:

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DOCKET NO. 021256-WU – Application for certificate to provide water service in Volusia and Brevard Counties by Farnton 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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

DIRECT TESTIMONY OF VALERIE JAMES

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2 Q. Please state your name and business address.

3 A. My name is Valerie James. My business address is 2555 Shumard Oak Boulevard,
4 Tallahassee, Florida, 32399-2100.

5 Q. By whom are you employed?

6 A. 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 A. 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 A. 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
23 Department is opposed to the proposed application by Farnton Water Resources, LLC for
24 utility services.

25 Q. Could you be more specific?

1 A. Yes. Portions of the proposed utility service area in Volusia County are designated
2 Forestry Resource, Agricultural Resource, and Environmental Systems Corridor land use
3 categories, while the remaining portions in Brevard County are designated Agriculture. The
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.
6 Therefore, extension of services into this area would encourage urbanization of rural,
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
10 application is inconsistent with, in addition to other objections. For example, FLUE Objective
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
16 space and visual beauty. The application area is outside the County's designated service area.
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
20 have also raised objections to the proposed utility service application. The City of New
21 Smyrna Beach has concerns over the potential impacts to existing and projected demands of
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
24 of central water systems outside the water service areas, and unapproved water wells and
25 treatment plant sites.

1 Q. Does this complete your testimony?

2 A. Yes, it does.

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