

Dorothy Menasco

090478-WS

From: Geoffrey Kirk [gkirk@co.hernando.fl.us]
Sent: Friday, July 02, 2010 4:47 PM
To: Filings@psc.state.fl.us
Cc: Caroline Klancke; Dean Mead; Derrill McAteer; John Wharton; Joseph Richards; Marty Deterding; Jon Jouben; Bill H. Hollimon; Sidney W. Kilgore; Linda Strumski; Geoffrey Kirk; Pamela Hejduk
Subject: RE: Electronic filing in Docket 090478-WS
Attachments: Notice-SurrebuttalTestimony-Hernando-070210.pdf

July 2, 2010

Dorothy Menasco

Chief Deputy Commission Clerk

Florida Public Service Commission

Office of Commission Clerk

Tallahassee, FL

Re: Skyland Utilities, LLC / Application for Water and Wastewater Certificates

PSC Docket # 090478-WS

Dear Ms. Menasco:

On behalf of Hernando County, Hernando County Water and Sewer District and Hernando County Utility Regulatory Authority, we have enclosed a cover letter plus the following documents intended for filing:

1. *Notice of Serving Surrebuttal Testimony by Hernando County, Hernando County Water and Sewer District and Hernando County Utility Regulatory Authority.*
2. *Surrebuttal Testimony of Ronald F. Pianta, AICP (Original plus 15 copies).* This document was filed electronically with the PSC on July 2, 2010.

3. *Surrebuttal Testimony of Joseph Stapf (Original plus 15 copies).* This document was filed electronically with the PSC on July 2, 2010.

COM 5
 APA _____
 ECR 7
 GCL _____
 RAD _____
 SSC _____
 ADM _____
 OPC _____
 CLK 7/2/2010

Thank you!

Sincerely,

s/Geoffrey T. Kirk

DOCUMENT NUMBER: DA 1

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FPSC-COMMISSION CLERK

Geoffrey T. Kirk

Assistant County Attorney (FBN 862616)

Attorney for Hernando County, Hernando County Water and Sewer District and
Hernando County Utility Regulatory Authority

cc: All counsel of record (via email)

<<Notice-SurrebuttalTestimony-Hernando-070210.pdf>>

P.S. Wishing everyone on this email thread a very happy Fourth of July!!!

Board of County Commissioners

Hernando County
County Attorney's Office



Garth C. Coller, County Attorney
Geoffrey T. Kirk, Assistant County Attorney
Jon A. Jouben, Assistant County Attorney
Erica Moore, Assistant County Attorney
Susan H. Bishop, Legal Administrator

20 N. Main Street, Suite 462
Brooksville, FL 34601
352-754-4001 Fax
352-754-4122

July 2, 2010

Via Federal Express (for delivery July 6, 2010)
and via email @ filing.psc.state.fl.us

Dorothy Menasco
Chief Deputy Commission Clerk
Florida Public Service Commission
Office of Commission Clerk

Tallahassee, FL

Re: Skyland Utilities, LLC / Application for Water and Wastewater Certificates
PSC Docket # 090478-WS

Dear Ms. Menasco:

On behalf of Hernando County, Hernando County Water and Sewer District and Hernando County Utility Regulatory Authority, we have enclosed the following:

1. *Notice of Serving Surrebuttal Testimony by Hernando County, Hernando County Water and Sewer District and Hernando County Utility Regulatory Authority* (Original). This document was filed electronically with the PSC on July 2, 2010.
2. *Surrebuttal Testimony of Ronald F. Pianta, AICP* (Original plus 15 copies). This document was filed electronically with the PSC on July 2, 2010.
3. *Surrebuttal Testimony of Joseph Stapf* (Original plus 15 copies). This document was filed electronically with the PSC on July 2, 2010.

Thank you!

Sincerely,

s/Geoffrey T. Kirk

Geoffrey T. Kirk

Assistant County Attorney (FBN 862616)

Attorney for Hernando County, Hernando County Water
and Sewer District and Hernando County Utility
Regulatory Authority

cc: All counsel of record (via email)

STATE OF FLORIDA
PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF SKYLAND
UTILITIES, LLC, TO OPERATE A WATER
AND WASTEWATER UTILITY IN
HERNANDO AND PASCO COUNTIES,
FLORIDA

Case No.: 090478-WS

**NOTICE OF SERVICE OF SURREBUTTAL TESTIMONY
BY HERNANDO COUNTY, HERNANDO COUNTY WATER AND SEWER
DISTRICT AND HERNANDO COUNTY UTILITY REGULATORY AUTHORITY**

Hernando County, a political subdivision of the State of Florida, Hernando County Water and Sewer District, a body politic of the State of Florida, and Hernando County Utility Regulatory Authority, a body politic of the State of Florida (collectively "Hernando") hereby serves the Surrebuttal Testimony of: (i) Joseph Stapf; and (ii) Ronald F. Pianta, AICP on the dates and manner indicated below to all persons listed in the Certificate of Service list:

1. Originals of the aforesaid Surrebuttal Testimony, plus 15 copies, were sent to the Clerk, Florida Public Service Commission on July 2, 2010 via Federal Express (for delivery on Tuesday, July 6, 2010).
2. Copies of the foregoing (*i.e.* the Surrebuttal Testimony of Joseph Stapf and the Surrebuttal Testimony of Ronald F. Pianta, AICP) were sent, via U.S. Mail, to each party listed in the Certificate of Service below (other than the PSC Clerk who was served as per the paragraph above). Said Surrebuttal Testimonies were also sent electronically, on July 2, 2010, to all counsel of record.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, this 2nd day of July, 2010, a true and correct copy of the foregoing Notice has been sent, in the manner stated herein, to all persons listed below.

s/Geoffrey T. Kirk



Geoffrey T. Kirk, Esq. (FBN 861626)
Assistant County Attorney
Jon Jouben (FBN 149561)
Assistant County Attorney
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County Attorney
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Attorneys for Hernando County

Director, Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(notice filed electronically; testimonies by
Federal Express for 7/6/10 delivery)

Caroline Klancke
Office of the General Counsel
Florida Public Service Commission
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(by U.S. Mail and email)

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Ronald Edwards, Manager
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(by U.S. Mail)

Sharon Blanchard, Chairman
The Coalition Preserve Our Water Resources
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Dade City, FL 33526-0173
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SURREBUTTAL TESTIMONY

OF

RONALD F. PIANTA, AICP

TO

THE STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

RE: APPLICATION OF SKYLAND UTILITIES, LLC
FOR ORIGINAL WATER AND WASTEWATER CERTIFICATES
IN HERNANDO AND PASCO COUNTIES, FLORIDA

DOCKET NUMBER 090478-WS

APRIL 30, 2010

SURREBUTTAL TESTIMONY OF RONALD A. PIANTA, AICP

1 Q. Please state your name.

2 A. Ronald F. Pianta.

3 Q. Have you been given an oath and is your testimony herein sworn.

4 A. I took an oath and all of my testimony herein is sworn.

5 Q. Where are you currently employed?

6 A. Hernando County, a political subdivision of the State of Florida.

7 Q. What is your employment address?

8 A. Hernando County Government Center, 20 N. Main Street, Brooksville, FL 34601.

9 Q. What is your current position?

10 A. I am the Planning Director for Hernando County.

11 Q. You previously gave Direct Testimony in this matter wherein, among other things, you
12 summarized your duties as Planning Director and professional qualifications.

13 A. That is correct.

14 Q. For what entities are you providing Surrebuttal Testimony?

15 A. I am providing Surrebuttal Testimony in connection with the petitions filed by Hernando
16 County, Hernando County Water and Sewer District and Hernando County Utility Regulatory
17 Authority.

18 Q. Have you read the Rebuttal Testimony of Gerald C. Hartman filed in this matter?

19 A. Yes, I have the Rebuttal Testimony of Gerald C. Hartman.

20 Q. As a general matter, Mr. Hartman refers to your testimony in several places including on
21 Pages 16 thru 20 of his Rebuttal Testimony, do you agree with his characterization of your
22 Direct Testimony.

23 A. I disagree with Mr. Hartman's characterization of my Direct Testimony and his
24 assertions related to my Direct Testimony. First, Mr. Hartman's Rebuttal Testimony is related
25 to my testimony regarding consistency with the Hernando County Comprehensive Plan. When

SURREBUTTAL TESTIMONY OF RONALD A. PIANTA, AICP

1 asked what areas he was going to provide testimony in this matter, Mr. Hartman replied: “In
2 utility management, rate setting, engineering, financial and technical ability and need for service
3 associated with the application of Skyland Utilities, LLC and for the Florida Public Service
4 Commission original water and wastewater certificate.” (Direct Testimony of Gerald C.
5 Hartman, Page1, Line 23 thru Page 2, Line 2). Thus, I did not see where Mr. Hartman has any
6 expertise listed on his resume in land use planning or where he was going to offer such expert
7 testimony on land use planning in this matter. Accordingly, Mr. Hartman is not in a position to
8 offer expert testimony on any land use planning issues in this matter or to otherwise rebut my
9 testimony as filed on May 3, 2010. Secondly, Mr. Hartman refers to the Development Phases in
10 Skyland’s application (Figure 3(a) from Appendix I) as meeting the density restrictions of the
11 current Hernando County Comprehensive Plan designation, which is one (1) dwelling unit per
12 ten (10) acres. Clearly, a proposed development density at this level does not require services
13 from a central water and wastewater utility. Thirdly, Mr. Hartman seems to be parroting Mr.
14 Delisi’s testimony that the proposed certificate does not violate Future Land Use Policy
15 1.01B(6) because this policy only applies to County provided facilities. This is an assertion that
16 is taken completely out of context. If one were to review the stated County Goal and Objective
17 related to this Policy it is clearly the intent of the County to require the “coordinated distribution
18 of land uses” (Future Land Use Objective 1.01B) and to “discourage the proliferation of urban
19 sprawl” (Future Land Use Goal 1.01). Also, when reviewed in context with other stated Policies
20 in the Plan it becomes clear that it is the intention that Hernando County be the sole
21 provider/frnachiser of water and wastewater services to the unincorporated area (Sanitary Sewer
22 Policy 4.01A5 and Potable Water Policy 4.13A4). Finally, the assertion implies that private
23 property owners and service providers do not have to comply with the County Comprehensive
24 Plan, which is a novel argument at best. Lastly, Mr. Hartman states that the granting of a FPSC
25 Certificate does not trigger any type of development. While this is technically correct, the

SURREBUTTAL TESTIMONY OF RONALD A. PIANTA, AICP

1 application includes a proposed schedule of development (Figure 3(a) from Appendix I) which
2 is intended to provide evidence that there is, or will be, a need for the service. As I previously
3 stated, if this is the anticipated level of development, the provision of central water and
4 wastewater is not required. In fact, Mr. Hartman recognizes this fact in his Rebuttal Testimony
5 (page 18, lines 16-19). Not only does Mr. Hartman recognize this fact, but on page 13, line 25
6 and page 14, lines 1-10 Mr. Hartman explicitly states that the request for service is to provide
7 service for some undefined "future development", and expresses a desire to consider providing
8 service for some 200 or so contaminated potable wells south of Brooksville and outside of the
9 proposed service area. Therefore, the granting of a FPSC Certificate will certainly enable
10 unforeseen development and service opportunities that are not consistent with the stated intent of
11 the Hernando County Comprehensive Plan.

12 Q. Beginning on Page 4, Line 12, Mr. Hartman stated that he is not aware of any
13 certification by the Florida Public Service Commission (FPSC) which has led to urban sprawl.
14 Do you agree with that assertion?

15 A. Before being involving in this matter, I had no reason to monitor the actions of the FPSC
16 or whether the FPSC issuance of water/wastewater certificates has led to urban sprawl.
17 However, as I stated in my Direct Testimony and in my deposition, it is my professional
18 planning opinion that when you introduce centralized water and wastewater utilities into a rural
19 area, this would "encourage development that is not compatible with existing land uses in terms
20 of density, intensity and land use type" and will eventually lead to "the premature conversion of
21 agricultural and rural land to suburban and urban uses, thus negatively impacting the character
22 of the area and lifestyle of existing residents." (Direct Testimony of Ronald A. Pianta, Page 6,
23 Lines 12 - 17).

24 Q. As of this time, has your professional opinion changed regarding whether the utility
25 proposed by Skyland Utilities, LLC would promote urban sprawl?

SURREBUTTAL TESTIMONY OF RONALD A. PIANTA, AICP

1 A. No, my professional opinion has not changed, and I submit that urban sprawl is a likely
2 outcome if the FPSC approves the requested certificates.

3 Q. Mr. Hartman, in his Rebuttal Testimony, beginning on Page 5, Line 13, refers to the
4 Testimony of Paul L. Wieczorek, and discusses Mr. Wieczorek more particularly beginning on
5 Pages 19, Line 3 thru Page 20, Line 13. Who is Mr. Wieczorek?

6 A. Paul L. Wieczorek is a Senior Planner in the Hernando County Planning Department.

7 Q. Who does Mr. Wieczorek report to?

8 A. Mr. Wieczorek reports to me as the Planning Director.

9 Q. Do you recognize the qualifications of Mr. Wieczorek in the field of land use planning?

10 A. Yes.

11 Q. Have there ever been an occasion or occasions where you and Mr. Wieczorek disagreed?

12 A. Yes, there will be instances where professional planners disagree on land use planning
13 issues.

14 Q. What would be the outcome of such a disagreement?

15 A. As his supervisor, I am ultimately responsible for making all the final decisions for the
16 Planning Department and will consider the input of the other planners in the office as
17 appropriate.

18 Q. Thus, if Mr. Wieczorek offer testimony that was inconsistent with your testimony,
19 would that concern you?

20 A. No. Mr. Wieczorek is entitled to give his opinion and sometimes professional planners
21 disagree. However, I am aware that Mr. Wieczorek's Direct Testimony in this matter was
22 essentially limited to a review of my own Direct Testimony which he concurred with.
23 Therefore, there should not be any inconsistency.

24 Q. Going back to Mr. Hartman's Rebuttal Testimony, beginning on Page 5, Line 17 thru
25 Page 12, Line 19, he discusses whether the FPSC certification of Skyland Utilities, LLC is in the

SURREBUTTAL TESTIMONY OF RONALD A. PIANTA, AICP

1 “public interest.” Based upon his Testimony, have you changed any of your positions regarding
2 whether the granting of the requested certificates is in the public interest?

3 A. No, I have not changed my position. Granting permission for Skyland Utilities, LLC to
4 operate a water and wastewater utility at the location proposed would NOT be in the public
5 interest, as evidenced by the stated goals, objectives and policies that Hernando County has
6 expressly adopted in it’s comprehensive plan and their stated intent to provide service to other
7 areas as well.

8 Q. Finally, referring to Mr. Hartmans’ Rebuttal Testimony on Page 34, Lines 19 thru 21, he
9 states that “Evans has not applied for permitting with Hernando or Pasco County at this time
10 pending the granting of utility certificates from the FPSC.” Is this an accurate statement to your
11 knowledge?

12 A. This is not an accurate statement. In the Fall of last year, Evans Properties, Inc. filed an
13 application with the Hernando County Planning Department requesting that the text of the
14 County Comprehensive Plan and Future Land Use Map be amended to allow a greater
15 residential density than is currently permitted, i.e. more units per gross acre, than what is
16 presently allowed on the same property that is the subject of Skyland’s Application in this
17 matter.

18 Q. Did your Department review the Evan’s application for an amendment to the
19 Comprehensive Plan?

20 A. Yes.

21 Q. Did the Planning Department complete a review?

22 A. Yes.

23 Q. Did the Planning Department make a staff finding regarding the consistency of the
24 proposed amendment with the Hernando County Comprehensive Plan?

25 A. Yes.

SURREBUTTAL TESTIMONY OF RONALD A. PIANTA, AICP

1 Q. What was that finding?

2 A. That the proposed amendment to the Hernando County Comprehensive Plan requested
3 by Evans Properties, Inc. was inconsistent with the purpose of the Rural Land Use Category, and
4 the proper location of areas designated for new residential development. Objectives and
5 Policies cited to support the finding included Future Land Use Objective 1.01B, and Future
6 Land Use Policies 1.01B(1), 1.01F(10), 1.01T(1), and 1.01T(4).

7 Q. What happened after the Planning Department issued this finding?

8 A. Evans Properties, Inc. withdrew their request shortly before the proposed application for
9 a plan amendment was to be considered by the Hernando County Planning and Zoning
10 Commission on December 12, 2009.

11 Q. How did the Planning Department learn of Evan's intent to withdraw the application?

12 A. On December 8, 2009, the Planning Department received an email from the applicant's
13 representative stating that at the direction of their client, the request for a plan amendment is
14 withdrawn.

15 Q. Have you read the Rebuttal Testimony of Ron Edwards filed in this matter?

16 A. Yes, I have read his Rebuttal Testimony.

17 Q. On pages 9 and 10 of Mr. Edward's Rebuttal Testimony, he discusses land use issues
18 including urban sprawl. Do you agree with any of the statements made by Mr. Edwards within
19 these two pages or elsewhere in his Rebuttal Testimony to the extent dealing with land use
20 planning issues?

21 A. Mr. Edwards does not address, nor is he qualified to address, the concerns about urban
22 sprawl. Instead, Mr. Edwards speaks in general terms about the ownership and stewardship of
23 the properties that Skyland seeks to certificate. While it is understood that Skyland will work
24 with all levels of government as it moves forward, Mr. Edwards expresses a stated intent for
25 Skyland to utilize the services for a variety of ventures, including meeting the potential needs

SURREBUTTAL TESTIMONY OF RONALD A. PIANTA, AICP

1 for water and wastewater services of adjacent landowners on page 4, lines 14-19, and on page
2 5, lines 20-24 expresses the real intention to provide services to the public, both as described in
3 the application and additional needs as they arise. As I previously stated in my Direct
4 Testimony, Deposition and in my Surrebuttal Testimony herein, it is my professional planning
5 opinion that the granting of the certificate and the expressed intentions of the applicant to
6 provide services to other areas not currently contemplated would promote or encourage urban
7 sprawl and would be contrary to public interest.

8 **End of Testimony**

9 Dated this 2nd day of July, 2010

10
11 s/Ronald F. Pianta, AICP

Ronald F. Pianta

12
13 RONALD F. PIANTA, AICP

14
15 STATE OF FLORIDA

16 COUNTY OF HERNANDO

17 The foregoing instrument was sworn to and acknowledged before me this 2nd day of July, 2010, by
18 Ronald F. Pianta, who is personally known, and who took an oath..

19
20 *Cynthia J. Bogert*

21 (Signature of person taking acknowledgment)

Cynthia J. Bogert

22
23 -
24 (Name typed, printed or stamped)



25
26 -
27 (Title or rank)

(Serial number, if any)

SURREBUTTAL TESTIMONY

OF

JOSEPH STAPF

TO

THE STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

RE: APPLICATION OF SKYLAND UTILITIES, LLC
FOR ORIGINAL WATER AND WASTEWATER CERTIFICATES
IN HERNANDO AND PASCO COUNTIES, FLORIDA

DOCKET NUMBER 090478-WS

JULY 2, 2010

SURREBUTTAL TESTIMONY OF JOSEPH STAPF

1 Q. Please state your name.

2 A. Joseph Stapf

3 Q. Have you been given an oath and is your testimony herein sworn?

4 A. I took an oath and all of my testimony herein is sworn.

5 Q. Where are you currently employed?

6 A. Hernando County Utilities Department.

7 Q. What is your employment address?

8 A. Hernando County Utilities Department, 21030 Cortez Blvd., Brooksville, FL 34601
9 Government Center.

10 Q. What is your present position?

11 A. I am the Utilities Director, Hernando County Utilities Department.

12 Q. Did you previously give Direct Testimony in this matter?

13 A. Yes.

14 Q. In your Direct Testimony, did you summarize your duties as Utilities Director and
15 professional qualifications?

16 A. Yes.

17 Q. For what entities are you providing Surrebuttal Testimony?

18 A. I am providing Surrebuttal Testimony in connection with the petitions filed by Hernando
19 County, Hernando County Water and Sewer District and Hernando County Utility Regulatory
20 Authority in this matter.

21 Q. Have you read the Rebuttal Testimony of Gerald C. Hartman filed in this matter?

22 A. Yes, I have read Gerald Hartman's Rebuttal Testimony.

23 Q. First, generally, Gerald Hartman refers to your Direct Testimony in several places within
24 his Rebuttal Testimony, specifically on Pages 20 - 28, do you agree with his representations
25 regarding your Direct Testimony?

SURREBUTTAL TESTIMONY OF JOSEPH STAPF

1 A. No, I do not agree. He has misrepresented or mis-characterized my Direct Testimony
2 and I rebut all of his representations regarding my Direct Testimony.

3 Q. Is any of Gerald Hartman's representations regarding your testimony accurate?

4 A. No.

5 Q. Referring to Gerald Hartman's Rebuttal Testimony, on Page 5, Line 17 thru Page 12,
6 Line 19, he discusses whether the FPSC certification of Skyland Utilities, LLC (Skyland) is in
7 the "public interest." Based upon his Testimony, have you changed any of your positions
8 regarding whether the granting of the requested certificates is in the public interest?

9 A. In my professional opinion and as the County's Utility Director, my position has
10 remained the same. Skyland's request for water and wastewater certificates from the Florida
11 Public Service Commission (FPSC) should not be granted and is NOT in the public interest.

12 Q. On Page 10, beginning of Line 3, of Mr. Hartman's Rebuttal Testimony, he stated that
13 Hernando County has "allowed for the pollution of groundwater through the inducement of
14 saltwater intrusion." Are you aware of any issues related to groundwater intrusion in the area
15 that Skyland is proposing to have certificated?

16 A. No. The area that Skyland is proposing to have certificated is in Southeastern Hernando
17 County and which is not even close to Hernando's coast line or to any saltwater bodies. In this
18 regard, the issue of "saltwater intrusion" is not applicable to the property that is the subject of
19 Skyland's Application nor am I aware of any problems with saltwater being part of the water
20 supply in the subject area.

21 Q. Referring to Gerald Hartman's Rebuttal Testimony, on Page 10, Line 18 thru Page 11,
22 Line 2, he discusses the policy of the State and the Water Management Districts of encouraging
23 the use of water from "local sources first" and that this policy would be promoted if the FPSC
24 granted the requested water and wastewater certificates to Skyland. Do you agree with that
25 assertion?

SURREBUTTAL TESTIMONY OF JOSEPH STAFF

1 A. Absolutely not!

2 Q. Why not?

3 A. Mr. Hartman states in his Rebuttal Testimony that: "It is Skyland's intention to seek
4 [consumptive use permits] when the FPSC has granted water utility certifications." (Rebuttal
5 Testimony of Gerald C. Hartman, Page 40, Lines 15 thru 18). Mr. Hartman goes on to state that
6 "Two of the three Evans [water] permits located in Hernando County are within the Weeki
7 Wachee spring shed area as noted on Exhibit PMW-2. Additional groundwater quantities are
8 currently not constrained in this area." (Rebuttal Testimony of Gerald C. Hartman, Page 40,
9 Lines 15 thru 18). Mr. Hartman concludes his Rebuttal Testimony in this area and states: "I
10 agree with Mr. Williams that neither Skyland nor Evans have requested a new, increased, or
11 transferred water use permit at this time. Skyland and Evans will make the appropriate filing
12 necessary to secure water supply for the proposed service area upon FPSC certification."

13 The Direct Testimony of Paul Williams and the Deposition Transcript of Gerald
14 Hartman, both of which I have read, clearly indicate that Skyland can easily satisfy their needs to
15 provide service to the residences Skyland proposes to serve and Skyland can stay within Evans
16 Properties' existing agricultural water use permits from the Southwest Florida Water
17 Management District (SWFWMD). (Deposition of Gerald Hartman, Page 56, Line 24 thru Page
18 59. Line 9; Direct Testimony of Paul Williams, Page 3, Line 20 thru Page 4, Line 15).

19 Accordingly, the only conclusion I can reach for Skyland wanting additional water use
20 permits from SWFWMD is that Skyland intends to bank water rights and/or sell water in bulk
21 outside of Hernando County. The sale of bulk water was expressly mentioned as a proposed use
22 in Skyland's Application (Application, Exhibit A, ¶ 1). This was also confirmed by Ron
23 Edwards, the principal of Skyland Utilities, LLC (Rebuttal Testimony of Ronald Edwards, Page
24 5, Lines 10 thru 14). In either scenario – the banking of water rights or the sale of bulk water by
25 Skyland – should Hernando County need consumptive use permits to draw water in the area

SURREBUTTAL TESTIMONY OF JOSEPH STAPF

1 being proposed by Skyland and such water supply has already been committed by SWFWMD to
2 Skyland, then Hernando would have to look elsewhere for its water supply and possibly to more
3 expensive water from alternative sources. If Hernando had to buy more expensive water
4 because Skyland is banking water rights and/or exporting this water supply source for bulk sale
5 or bottling, then this would clearly be against the public interest of Hernando County and the
6 residents and businesses within Hernando County. Moreover, any export of water by Skyland
7 would violate – not promote – the water supply policy of “local sources first.”

8 Finally, such additional consumptive use of the water supply in this area could put
9 Hernando County at risk of meeting the “minimum flow” regulations of the SWFWMD and,
10 again, this would be contrary to the public interest of Hernando County and its residents and
11 local businesses.

12 Q. Referring to Gerald Hartman’s Rebuttal Testimony, on Page 11, Lines 6 thru 17, he
13 asserts that “no other entity but Skyland can as efficiently and effectively serve the customers
14 requiring service within the proposed certificated area.” Do you agree?

15 A. No, I strongly disagree with his assertion. As I stated in my Direct Testimony and
16 Deposition, Hernando County can serve this area. I further stated that neither Skyland, nor
17 Evans Properties, Inc., have ever approached Hernando County Utilities to serve this area and to
18 which Mr. Hartman freely admitted in his Rebuttal Testimony. (Rebuttal Testimony of Gerald
19 Hartman, Page 21, Lines 2 thru 3). Further, in my Direct Testimony and Deposition, I offered
20 my professional opinions regarding economies of scale, efficiency and effectiveness.

21 Q. Referring to the “first” point raised by Gerald Hartman in his Rebuttal Testimony on
22 Page 11, Line 20 thru Page 12, Line 19, he discusses Skyland’s ability to provide service and
23 also discusses Hernando County’s “service area.” Do you agree with any of this discussion?

24 A. No. Hernando County can equally, and more efficiently, provide the same service
25 proposed by Skyland. Moreover, as I have previously testified, the area that Skyland is

SURREBUTTAL TESTIMONY OF JOSEPH STAFF

1 proposing to serve is currently within Hernando's service area and, therefore, Skyland is
2 proposing to offer service within the previously established service area of Hernando and which
3 will be duplicative.

4 Q. Referring to the "second" point raised by Gerald Hartman's in his Rebuttal Testimony on
5 Page 12, Line 20 thru Page 14, Line 12, do you agree with any of these statements.

6 A. No, I do not agree with any of his statements as to his third point. Mr. Hartman's
7 reference to the approximately 200 potable wells that the Florida Department of Environmental
8 Resources identified as potentially contaminated is not accurate. These wells are scattered over
9 a extremely large area covering several square miles and none of these well are within any of the
10 properties that Skyland is seeking to have certificated for central water service. Moreover, the
11 majority of these wells are more than a mile from any of the properties in the proposed territory
12 that Skyland is seeking to have certificated.

13 Furthermore, Hernando County did in fact initiate a process to bring central water service
14 to an area identified by the Florida Department of Environmental Protection. Once staff had
15 made a preliminary proposal for service, this matter was set for public hearing before the
16 Hernando County Board of County Commissioners, was advertised, and received coverage by
17 the local media. However, when this matter was actually presented to the Board of County
18 Commissioners the advertised public hearing, there was NO public support. Consequently, the
19 Board of County Commissioners tabled this matter pending a demonstration of future demand.
20 Accordingly, Hernando County did not pursue providing centralized water service to this area
21 because there was absolutely no demand or outcry from the residents of the properties which
22 purportedly had said contaminated wells. Further, the preliminary costs to provide centralized
23 water to this area was well over ten million dollars.

24 Q. In the "third" point raised in Gerald Hartman's Rebuttal Testimony, on Page 14, Line 13
25 thru Page 15, Line 12, Mr. Hartman proceeds to list the twenty items the FPSC requires in

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1 connection with a new application. Mr. Harman then makes the presumptive statement that
2 “there is only one issue fully in dispute and one that is partially in dispute by the intervenors.”

3 Do you agree with that statement.

4 A. Absolutely not! Hernando County has raised several issues of dispute including raising
5 deficiencies in Skyland’s Application and Skyland’s failure to meet key statutory requirements
6 such as demonstrating need for service, avoidance of an existing utility’s service area,
7 duplication of existing service and being in the public interest. Further, Mr. Hartman’s assertion
8 that Hernando has only one or two issues in dispute is simply not true and which I rebut.

9 Q. Beginning on Page 20, Line 14 thru Page 28, Line 4 of Gerald Hartman’s Rebuttal
10 Testimony, Mr. Hartman attempts to rebut your Direct Testimony. Do you agree with any of the
11 statements or assertions made by Mr. Hartman in these eight pages?

12 A. No. Mr. Hartman misrepresents and/or mis-characterizes my prior testimony throughout
13 this portion of his Rebuttal Testimony and, therefore, I deny and rebut his rebuttal. For the
14 reasons stated in my prior Direct Testimony and Deposition, Skyland has not demonstrated a
15 need or demand for centralized water and wastewater service, the granting of the requested
16 certificated territory would infringe upon Hernando County’s existing service area and would be
17 duplicative, and the granting of the requested certificates would not be in the public interest for
18 the many reasons I previously testified to.

19 Q. Can you give any specific examples of where Mr. Hartman has misrepresented or mis-
20 characterized your Direct Testimony or where he is inaccurate?

21 A. Specifically, referring to Gerald Hartman’s Rebuttal Testimony, on Page 21, Lines 5 thru
22 7, he states that “it would not be possible for the Hernando County Utility Department to provide
23 service.” Skyland cannot speak for our Utility Department, especially since neither Skyland,
24 Evans Properties, Inc., or their representatives ever asked us, and, Mr. Hartman even admits the
25 fact that Skyland never made any such request. (Rebuttal Testimony of Gerald Hartman, Page

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1 21, Lines 2 thru 3). Accordingly, Skyland's statement to this effect is untrue and misleading. On
2 Page 22, Lines 3 thru 5, Mr. Hartman suggests that the use of a small utility systems is "common
3 practice." This statement standing alone is misleading because small utility systems only exist
4 where there are no reasonable or practical alternatives and no other solutions available. Here,
5 there are other solutions to providing service to the subject property besides what is being
6 proposed by Skyland. On Page 23, Lines 2 thru 5, of Mr. Hartman's Rebuttal Testimony, he is
7 making a statement to which he has no knowledge. As I have previously stated, since neither
8 Skyland, Evans Properties, Inc. or their representatives ever asked us what Hernando County
9 Utilities Department could or could not do, to assert otherwise is false and misleading. On Page
10 23, Line 1 thru 3 of Mr. Hartman's Rebuttal Testimony, he indicated that there has been "several
11 requests from Evans Properties to Skyland." However, the Application and Mr. Hartman, both
12 in his Direct Testimony and Deposition, indicate that there have only been two requests for
13 service which have been made: one request for service was signed by the President of Evans
14 Properties, Inc. and the other request for service was signed by the Vice-President of Evans
15 Properties, Inc. Thus, I do not know how two can become "several." On Page 26, Lines 18 thru
16 20 of Mr. Hartman's Rebuttal Testimony, he indicated that the County's 2004 Bond Issue did not
17 contemplate Skyland's proposed service area. However, Mr. Hartman has no actual knowledge
18 if the County is currently, or will be considering, future bonds and/or other debt instruments
19 which would pledge future revenue from within the County's utilities service area including the
20 land that Skyland is proposing for certification by the FPSC. The foregoing being a few
21 examples of where Mr. Hartman has mis-characterized or misstated my prior testimony.

22 Q. Have you read the Rebuttal Testimony of Ron Edwards filed in this matter?

23 A. Yes, I have read Ron Edward's Rebuttal Testimony.

24 Q. Referring to Ron Edward's Rebuttal Testimony, on Page7, Lines 9 thru 19, Mr. Edwards
25 states that Skyland "is in the best position to provide certificated water and wastewater services

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1 throughout the proposed certificated service territory in the most efficient and effective manner,
2 and that no other entities can meet the needs for such services in the area, given the economies of
3 scale achieved by having one utility serve all of these areas in two counties” Do you agree
4 with any of these statements?

5 A. I strongly disagree with all of these statements and rebut same. First, neither Skyland,
6 Evans Properties, Inc., or their representatives ever requested such service from the Hernando
7 County Utilities Department and Skyland even freely admits it never made any such request.
8 (Rebuttal Testimony of Gerald Hartman, Page 21, Lines 2 thru 3). Consequently, since Skyland
9 has never asked the question to Hernando County, it is impossible for them to know what
10 Hernando County can or cannot do. Thus, to suggest otherwise and boldly represent that no
11 other entity can meet the needs is a false and misleading statement. Second, as discussed in my
12 Direct Testimony and Deposition, it is my professional opinion that Skyland cannot achieve
13 economies of scale with the few homes they proposed to serve. Third, to suggest that no one
14 entity other than Skyland can serve properties in both Hernando and Pasco Counties is again
15 untrue. It is possible for either Hernando or Pasco County to provide central water or wastewater
16 service in the other county by entering into an interlocal agreement to that effect. In this regard,
17 Mr. Edwards ignores that possibility in his Rebuttal Testimony. Accordingly, I disagree that
18 Skyland can or will be the most effective or efficient provider of central water or wastewater
19 service to single family homes on ten acre lots. On the other hand, if Skyland’s true goal is to
20 bank water rights and/or sell bulk water, then this would be contrary to the stated intentions set
21 forth in Skyland’s Application and would implicate serious “public interest” concerns for
22 Hernando County and its citizens as I have previously discussed in my Surrebuttal Testimony.

23 Q. Referring to Ron Edward’s Rebuttal Testimony, on Page8, Lines 12 thru 13, Mr.
24 Edwards states that Hernando County’s proposal to provide central water service to the general
25 area where Skyland is seeking to have certificated “is on the back burner.” Do you have any

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1 opinion about this statement.

2 A. First, I cannot interpret what he means in his statement "is on the back burner." Since
3 he, nor any representative on his companies, has contacted Hernando County Utilities
4 Department about serving his properties or this general area, therefore, he has no idea of what
5 Hernando County's plans are. Moreover, as I stated in my Direct Testimony and Deposition,
6 Hernando County can and will provide service to this area when demand for such service exists.

7 **End of Testimony**

8 Dated this 2nd day of July, 2010

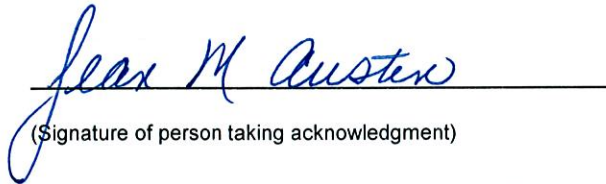
9 s/Joseph Stapf

10 
11 Joseph Stapf

12 STATE OF FLORIDA

13 COUNTY OF HERNANDO

14 The foregoing instrument was sworn to and acknowledged before me this 2nd day of July, 2010, by
15 Joseph Stapf, who is personally known, and who took an oath..

16
17 
18 (Signature of person taking acknowledgment)

19
20 (Name typed, printed or stamped)

21
22 (Title or rank)

(Serial number, if any)

