Eric Fryson

From:	John Wharton <jwharton@sfflaw.com>
Sent:	Wednesday, March 13, 2013 2:44 PM
To:	Filings@psc.state.fl.us
Cc:	Pat Brady; Caroline Klancke; Bronwyn Ferrell
Subject:	{BULK} Bluefield Utilities; Docket No. 090459-WS
Attachments:	20130313141341096.pdf
Importance:	Low

a. The full name, address, telephone number, and e-mail address of the person responsible for the electronic filing

John L. Wharton
Sundstrom, Friedman & Fumero, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
(850) 877-6555
jwharton@sfflaw.com

b. The docket number and title if filed in an existing docket:

Docket s: 090459-WS

Application of Bluefield Utilities, LLC

c. The name of the party on whose behalf the document is filed:

Bluefield Utilities

d. The total number of pages in the attached document: 41

e. A brief but complete description of each attached document.

Response to Staff's letter of March 6.

JOHN L. WHARTON

SUNDSTROM, FRIEDMAN & FUMERO, LLP
Attorneys at Law
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
T: 850.877.6555
F: 850.656.4029
jwharton@sfflaw.com
www.sfflaw.com

Tallahassee • Lake Mary • Boca Raton

SUNDSTROM,
FRIEDMAN & FUMERO, LLP
Attorneys | Counselors

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

PHONE (850) 877-6555
FAX (850) 656-4029

www.sfflaw.com

March 13, 2013

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

Re: Docket No. 090459-WS, application for original certificates for proposed water and wastewater system and request for initial rates and charges in St. Lucie Counties by Bluefield Utilities, LLC.

Dear Ms. Cole,

Please accept this letter as the response of Bluefield Utilities, LLC ("Bluefield") to staff's letter of March 6, 2013. For ready reference, each numbered paragraph is cut from Staff's letter and italicized below:

Additional Information, Clarification, and Documentation

1. *Need. According to the May 26, 2011, letter from the South Florida Water Management District (SFWMD) to Chairman Graham, provided in Attachment 1 to the revised application, Bluefield's direct parent, Evans Utilities Company, Inc. (Evans), has suggested the potential of utilizing a PSC certificated utility to form a public-private partnership between Evans and SFWMD to capture excess fresh water discharges to the Indian River Lagoon for storage, treatment and distribution to customers within the water management system. Please provide an updated description of the current status of the proposed public-private partnership. The update should include a description of the C-23 canal project and its relationship and interconnection, if any, with Evans' C-25 canal project contemplated for its subsidiary, Grove Land Utilities, LLC.*

Response: Attached is a copy of a Request For Proposals recently issued by Grove Land Utilities, LLC (the sister entity of Bluefield Utilities, LLC, which is also owned by Evans Properties, Inc.) for a feasibility study to determine the financial feasibility of a reservoir and stormwater treatment area to capture and cleanse water passing through the C-25 canal and being discharged into the Indian River Lagoon, to be constructed and operated by a public-private partnership between Grove Land, the two participating water management districts and other potential partners. The project could provide water supply and fresh water recharge while at the same time reducing fresh water discharges that are causing environmental damage to the lagoon. The cost of the feasibility study is

being funded by Evans Properties, Inc., the South Florida Water Management District, the St. John's River Water Management District and a grant from the St. Lucie River Issues Team. Although the feasibility study relates to Grove Land and the C-25 canal, we believe that demonstrating the feasibility of this project will also have positive implications for Bluefield Utilities, as there is an opportunity for Bluefield to operate a similar facility on the C-23 canal, providing similar benefits. The Bluefield project would likely involve only the SFWMD and other potential participants with interests that align with the Bluefield Utility.

2. Service Territory. *Parcel ID-2 consists of 2,273 acres, which could serve densities up to 454 equivalent residential connections (ERCs). According to Exhibit C of the original application filed on September 25, 2009 (original application), utility services are being designed to serve approximately 201 ERCs on the west side of the property. If only the west side of Parcel ID-2 is intended to be served, why is Bluefield requesting service territory for the east side?*

Response: While there are no present plans to serve the eastern portion of Parcel ID-2, neither has the precise location and configuration of the 201 ERCs within the parcel been determined. The east side of Parcel ID-2 is well suited for water supply purposes and/or for the creation of a storm water retention and cleansing facility, as it contains wetlands, is located adjacent to the SFWMD C-23 canal, and is also located in close proximity to a location where SFWMD plans to build a reservoir as part of CERP (Comprehensive Everglades Restoration Project). Inclusion of the entire Parcel ID-2 within the certificated territory is reasonable because (a) the entirety of the parcel is owned by Evans Properties; (b) portions of the eastern side of the property may ultimately prove suitable for water withdrawal or treatment; and (c) because the final result of any growth management regulations may require location of development of portions of the eastern side of the Parcel in a location or configuration not presently foreseeable.

3. Proof of Ownership. *The original application contains executed copies of water and wastewater lease agreements between Evans Properties, Inc. and Bluefield. The revised application contains executed copies of the First and Second Amendments to the original lease agreements, but indicates legal descriptions of the leased premises will be only be prepared upon completion of the engineering plans for Phase I. Will the engineering plans for Phase I be completed within 30 days of an order granting certificates? If not, is Bluefield intending to request a temporary waiver of the rule?*

Response: Regardless of any requirements in the proposed lease agreements, Bluefield will produce legal descriptions as required by any order of the PSC within the pertinent timeframe (which is anticipated to be within 30 days of an order granting a certificate).

4. Water-only Customers. *According to the original and revised applications, Phase I has 5 existing general service customers in Parcel ID-2 that will remain on septic tanks. In addition, it is anticipated there will be 5 more ERCs coming online in the first 3 years that will also utilize septic tanks. Please provide a description of these water-only general service customers, which includes housing type, meter size, Parcel ID number, and whether existing or coming online.*

Response: The five (5) existing general service customers in Parcel ID 2 consist of the following:

- **One (1) hunting lodge (approximately 3,000 square feet)**
- **Two (2) offices (approximately 2,000 and 3,000 square feet)**
- **Two (2) workshops**

It is anticipated that these existing general service customers would utilize a 5/8" meter.

It is anticipated that the 5 additional water ERCs coming online in the first three (3) years would come on-line in Parcel ID 2 and consist of model homes and construction offices. It is anticipated that these would utilize a 5/8" meter.

5. Electric Service. *The Cost of Service Study in the revised application assumes Bluefield will not have to pay for the construction of electrical facilities. What is the basis of this assumption?*

Response: The cost for the construction of electrical facilities was not included in the Cost of Service Study for Bluefield based on the following: There are existing power services in the general area for both Parcel ID 1 and Parcel ID 2. Any determination regarding electrical service specifically for Bluefield will be made by Florida Power & Light (FPL) when an actual request for service is made. FPL's decision will be based on several factors such as distance from existing electric service facilities as well as whether service to additional power customers such as homes, offices, businesses, etc. is foreseeable. Cost sharing or refundable advance agreements may be warranted if FPL chooses to charge for the extension of electric service. Accordingly, the decision was made not to include the cost of electrical facilities in the Cost of Service Study to be conservative. If FPL does choose to charge Bluefield, then it is incumbent upon the utility to seek a limited proceeding to have those costs entered into rate base. Utility customers are not harmed by not including the costs.

6. Non-potable Water Service. *According to the original and revised applications, Bluefield proposes to provide both potable and non-potable water. However, the original and revised Cost of Service Studies only propose rates and charges for potable water service. Please explain why Bluefield is not proposing rates and charges for non-potable water service.*

Response: Bluefield continues to propose the sale of non-potable water. Bluefield is not proposing charges for non-potable water service at this time because it is anticipated that any initial non-potable customers would receive service via a negotiated contract which could include the provision that approval is necessary from the Commission for jurisdictional services. Non-potable service could be take-or-pay (payment whether customer uses the non-potable water or not), take-and-pay (customer takes what they need and pays only for what they take) or some other combination. It is possible that any non-potable water would come from alternative water supplies such as treated stormwater and, therefore, costs of providing the water could be substantially different than providing non-potable water via groundwater sources. Because of the inherent variability for non-potable service, it was determined that initial customers would most likely be provided that service as a result of a negotiated contract.

Bluefield will stand ready to provide such service if and when the demand arises, and is fully aware that a PSC approved rate for such services must be in place prior to implementation.

7. Water Wells. *According to the revised application, there are four proposed water facilities. Conceptual designs and locations were provided for an 8" well on Parcel ID-1 and 3", 5", and 12" wells on Parcel ID-2. The revised Cost of Service Study does have costs for a new 8" well, which elsewhere is described as for Parcel ID-1, as well as improvements for existing 3", 5", 10", and 12" wells. Is there an existing 10" well in Parcel ID-2 that will be utilized by Bluefield for potable water? Also, please explain why the existing wells have Year 1 costs for the wells, not just the improvements. Are they being purchased or leased? If leased, the water lease appears to only have provisions for the drilling of new wells.*

Response: Bluefield is proposing four (4) water wells for Parcel ID 2. The well sizes are 3", 5", 10" and 12" and all are existing wells. The conceptual design included in Bluefield's response to the Commission's request for additional information was an earlier version of the conceptual design. Attached hereto please find Figures D-2A and D-2B which show the proposed conceptual water treatment plant and conceptual water distribution system layout, respectively, utilizing the four (4) existing wells.

There are costs for wells in Year 1 other than improvements to provide remuneration to Evans Properties for taking their agricultural wells out of service and turning them over to Bluefield for potable wells. Therefore, the wells are being purchased, not leased.

8. Meters and Meter Installation. *In the revised application, Schedule 6C of the Cost of Service Study and Original Sheet No. 17.0 in the proposed Water Tariff indicate that Bluefield is proposing a meter installation charge of $295 for a 5/8" x 3/4" meter. However, Schedule 4 of the Cost of Service Study lists the cost for a 5/8" x 3/4" meter in Year 1 as $380.34. Please explain the difference in cost.*

Response: The difference in cost between the meter installation charge of $295 from Original Sheet No. 17 of the proposed Water Tariff and the Year 1 cost of $380.34 from Schedule 4 of the Cost of Service Study represents non-cash CIAC for service lines.

9. Wastewater Rate Base Schedule. *It appears that Schedule 21A, entitled "Bluefield Utilities, LLC, Wastewater Rate Base, Year 7," was not provided with the revised application. Please file the revised schedule.*

Response: Attached hereto please find Schedule 21A for the revised application.

If you have questions regarding any of the information requested above, please feel free to contact me at your earliest convenience.

Sincerely,

John L. Wharton
For the Firm

JLW/bsr
cc: Mr. Ron Edwards
Michael Minton, Esquire
Ms. Pat Brady
Bluefield/letter to Ann Cole 3.doc

Grove Land Utilities, LLC

February 8, 2013

To Prospective Respondents:

You are receiving this cover letter along with a Request for Proposal "RFP" because your firm has been identified as a company that is likely to possess the expertise and capabilities of performing the work outlined in the RFP.

Background

Grove Land Utilities, LLC has obtained grant funding from the St Lucie River Issues Team for Indian River Lagoon Projects. The funding was provided to support a financial feasibility of a proposed Grove Land Reservoir, Stormwater Treatment Area (STA), and associated infrastructure. The South Florida Water Management District (SFWMD) and St Johns River Water Management District (SJRWMD) are also providing funding in support of the study. The overarching goal of the financial feasibility study is to assess the financial feasibility of a reservoir and STA constructed on land owned by Grove Land Utilities, LLC. Potential revenue from payments for water management services will be compared to the life cycle project costs to establish the financially viability of the proposed reservoir and STA.

Please see the RFP for further information on the study and contact information.

Regards,

HM Ridgely III
Project Manager
Grove Land Utilities, LLC

660 Beachland Blvd., Suite 301 • Vero Beach, FL 32963 • Tel: (772) 234-2410 • Fax: (772) 234-6059

GROVE LAND UTILITIES, LLC

REQUEST FOR PROPOSALS (RFP)

Proposals Must Be Submitted To The Following Address:	**Issue Date: February 11,2013**
H.M. Ridgely III, Contract Manager Grove Land Utilities, LLC 660 Beachland Blvd, Suite 301 Vero Beach, FL 32963	

Title: Financial Feasibility Study, Grove Land Reservoir and Stormwater Treatment Area

Purpose: The purpose of the study will be to determine whether the water management services that could be provided by the proposed Grove Land Reservoir and Stormwater Treatment Area could potentially generate revenue to offset capital and recurring costs with a reasonable return on investment. The design, construction, and operation of the proposed reservoir and STA would be performed through a public private partnership between Grove Land Utilities, water management districts, and other potential partners. A more complete description of the technical specifications can be found in Part 4 of this RFP.

Inquiry Period: **February 11, 2013 – February 25, 2013** Inquiries may be made between the hours of 8:00 A.M. and 5:00 P.M. weekdays.	**Direct All Inquiries to:** **Procurement:** **H.M. Ridgely III, Contract Manager** **Telephone No:** **(772) 234-2410 Ext 235** **E-Mail:** **HRidgely@EvansProp.com** **Fax No:** **(772) 234-6059**

Note: All technical inquiries must be submitted in writing via E-Mail.

Deadline For RFP Submission:

FRIDAY, MARCH 15, 2013, 2:30 PM ET

1 Original and 5 printed copies and
an electronic copy on CD or DVD should also be provided to:

H.M. Ridgely, Contract Manager
Grove Land Utilities, LLC
660 Beachland Blvd, Suite 301
Vero Beach, FL 32963

ALL RESPONSES MUST BE SUBMITTED IN A SEALED ENVELOPE OR BOX
Confirmation of timely receipt may be made by calling (772) 234-2410 Ext 235

This RFP is Comprised of a Response Checklist and 4 Parts:	
Part 1. General Guidelines and Information Part 2. Instructions for Preparing Responses Part 3. Evaluation Criteria and Standards Part 4. Statement of Work	

REQUEST FOR PROPOSAL

RESPONSE CHECKLIST

This Response Checklist is provided for the convenience of the respondent and shall not be relied upon in lieu of the instructions or requirements of this solicitation. To ensure that your proposal package is complete and to maximize the number of points you may receive, please review the following items to confirm that they have been addressed and are enclosed. There is no requirement to return this checklist with your proposal package.

		Have you met the proposal submission deadline established in the solicitation?
		Have you submitted the required number of complete copies of the proposal?
		Have you attached a completed and signed Compliance Disclosure Form?
		Are there minimum license requirements? If yes, has evidence been included in the proposal?
		Are you in good standing with the Florida Secretary of State (corporations and partnerships)?
		Have the Client Reference Forms been completed and attached to the proposal?
		Have you completed the technical section of the proposal? Does it include the following?
		• Proposed Approach and Methodology
		• Understanding of the Scope of Work
		• Qualifications/Experience of your firm with similar projects.
		• Qualifications/Experience of your staff with similar projects.
		• Copy of agreement for each teaming arrangement

PART 1

GENERAL GUIDELINES AND INFORMATION

1.1 DEFINITIONS

"RFP." A Request for Proposals, which is a written solicitation for sealed proposals in which qualifications and technical ability are among the main selection criteria.

"Proposer" or "Respondent." All contractors, consultants, organizations, firms, or other entities submitting a response to this RFP.

"Proposal" or "Response." The proposer's written response to this RFP offering to provide the specified services and/or commodities. It shall be considered a formal offer.

"Solicitation." A written request to obtain services and/or commodities through a Request for Proposals, Request for Bids or Request for Quotes.

"Contract." A binding written agreement, including purchase orders, containing terms and obligations governing the relationship between Grove Land Utilities, Inc. and the other party.

1.2 GROVE LAND UTILITIES OVERVIEW

Groveland Utilities, Inc. is a wholly owned subsidiary of Evans Utilities, Inc., which in turn is a wholly owned subsidiary of Evans Properties, Inc. Groveland Utilities, Inc. was certificated by the Florida Public Service Commission (PSC) as a water and wastewater utility for the service territory encompassing certain Evans Properties, Inc. lands in Okeechobee, Indian River and St. Lucie Counties on May 25, 2012.

1.3 INVITATION

This invitation is extended to firms and organizations that can provide the requirement(s) specified herein. The requirements presented in this solicitation represent Grove Land Utilities' anticipated needs.

1.4 COMPLIANCE DISCLOSURE FORM

The Compliance Disclosure Form, attached to this solicitation, includes documentation that shall be executed by an individual authorized to bind the respondent. If the Compliance Disclosure Form is not submitted as part of the respondent's proposal package, is altered in any manner or is not fully completed, the respondent shall be deemed non-responsive to the solicitation requirements (refer to Part 2). The Compliance Disclosure Form is attached to Part 2, Tab A of this solicitation.

1.5 LOBBYING

All respondents, their agents and proposed subconsultants or subcontractors, are hereby placed on notice that neither any evaluation committee members, employees of Grove Land Utilities, Evans Utilities, or Evans Properties or employees of any other project sponsoring agencies shall be lobbied either individually or collectively regarding this solicitation. Respondents, their agents and proposed subconsultants or

subcontractors are hereby placed on notice that they are prohibited from contacting any of these individuals for any purpose relating to the solicitation (e.g., general information, meetings of introduction, meals, etc.).

Any proposal submitted by a respondent, its agents and potential subconsultants or subcontractors who violate these guidelines will not be considered for review. The Contract Manager (identified on the cover page of this solicitation) shall be the only point of contact for questions and/or clarifications concerning the solicitation, the selection process and the negotiation and award procedures.

1.6 POINTS OF CONTACT - TIMETABLE FOR INQUIRIES

Respondents shall contact the Contract Manager, identified on the cover page of this solicitation, for all inquiries relating to this solicitation. All respondents' technical inquiries shall be confirmed in writing either through the mail or electronic mail.

Technical questions will not be entertained beyond the cut-off date indicated on the cover page so that answers to substantive questions, in the form of written addenda, can be provided to respondents by electronic mail.

1.7 ORAL REPRESENTATIONS

No oral representations made by Grove Land Utilities staff or representatives shall be binding. The contents of this RFP and any subsequent addenda issued by the District shall govern all aspects of this solicitation.

1.8 ADDENDA

If any solicitation revisions become necessary (other than changes to the deadline for response submission), Grove Land Utilities will send addenda by electronic mail to all respondents at least seven (7) calendar days before the date scheduled for opening the responses. Grove Land Utilities may revise the deadline for response submission at any time prior to the date and time scheduled for opening the responses.

1.9 CANCELLATION OF THE SOLICITATION

Grove Land Utilities reserves the right to cancel this solicitation and/or re-advertise and re-solicit the requirement at any time if determined to be in the best interest of Grove Land Utilities.

1.10 DEVELOPMENT COSTS

Neither Grove Land Utilities nor its representatives shall be liable for any expenses incurred in connection with the preparation, submission or presentation of a response to this solicitation. All information in the response shall be provided at no cost to Grove Land Utilities.

1.11 RESPONSE SUBMISSION

All responses shall be submitted in a sealed envelope by the deadline indicated on the cover page of this solicitation. The response shall identify the solicitation title specified on the cover page of this solicitation. This reference information shall also be marked on the outside of the sealed envelope, including the respondent's return address. Grove Land Utilities assumes no responsibility for responses not properly marked.

Grove Land Utilities cautions respondents to assure actual delivery of responses either hand delivered or mailed via U.S. mail or overnight courier, directly to the Contract Manager at the address provided on the cover page prior to the deadline.

Grove Land Utilities will not accept responses delivered after the established deadline. If the response is delivered after the established deadline, a respondent shall be deemed non-responsive to the solicitation requirements (refer to Part 2, Tab A).

Receipt of a response by any Grove Land Utilities' office, receptionist or personnel other than the Contract Manager will not constitute "delivery" as required by this solicitation. Telephone confirmation of timely receipt of the response should be made by calling 772- 234-2410, Ext 235, before the deadline for responses. Grove Land Utilities will not accept or consider responses submitted via facsimile transmission.

1.12 ASSIGNMENT OF RESPONSE

A respondent shall not transfer or assign its response to a third party following submission of a proposal to Grove Land Utilities.

1.13 WITHDRAWAL OF RESPONSE

Respondents shall withdraw their submitted response by notifying Grove Land Utilities either in writing or in person through an authorized representative at any time prior to the submission deadline. Individuals making the withdrawal shall provide evidence of serving as an authorized representative of the respondent. Responses, once received, become the property of Grove Land Utilities, and will not be returned to respondents even when they are withdrawn from consideration.

Responses, once opened, shall not be withdrawn or modified except to the extent agreed to by Grove Land Utilities during subsequent contract negotiation.

1.14 REJECTION OF RESPONSES

Grove Land Utilities reserves the right to reject any and all proposals for reasons including, but not limited to, the following: (1) when such rejection is in the interests of Grove Land Utilities; (2) if such proposal is deemed non-responsive (refer to Part 2, Tab A); (3) if the respondent is deemed non-responsible (refer to Part 2, Tab B); or (4) if the proposal contains any material irregularities. Minor irregularities contained in a response may be waived by Grove Land Utilities. A minor irregularity is a variation from the solicitation that does not affect the price of the contract nor does it give a respondent an advantage or benefit not enjoyed by other respondents and does not adversely impact Grove Land Utilities.

1.15 WRITTEN PROPOSAL EVALUATION AND ORAL PRESENTATIONS

The Evaluation Committee members will independently evaluate the written proposals on the basis of their qualifications and technical merit in accordance with the evaluation criteria included in Part 3 of this solicitation. The assessments of the Evaluation Team members will be reviewed and discussed with the Evaluation Committee Chairperson. Based on the Evaluation Committee's assessments, the Evaluation Committee Chairperson will choose to either, 1) obtain additional information through interviews or oral presentations by the highest rated proposers, or 2) identify the top ranked proposal with no additional interviews or presentations.

1.16 SELECTION OF FIRM TO ENTER INTO CONTRACT NEGOTIATIONS

Following evaluation of the proposals, Grove Land Utilities will notify respondents by email whether they were selected for negotiations. Negotiations with the top ranked respondent will address the proposed methodology, distribution of the level of effort between tasks, team composition and utilization, and rates. The maximum

budget of $250,000 will not be negotiated. If, for any reason, negotiations fail to produce an agreement that is satisfactory to Grove Land Utilities, negotiations may be undertaken with the second ranked respondent.

1.17 CONTRACT AWARD

Grove Land Utilities anticipates the award of a contract, but reserves the right not to make any award whatsoever, if determined to be in the interest of Grove Land Utilities. Prior to contract award, the respondent(s) shall submit documentation reflecting any required insurance coverage. The contract title shall be included on the insurance documentation submitted to Grove Land Utilities at the time of award execution and for all subsequent updates to the insurance coverage throughout the contract period. Failure to execute the contract and/or to provide evidence of any required insurance coverage shall be just cause for the termination of the award.

PART 2

INSTRUCTIONS FOR PREPARING RESPONSES

RESPONSE FORMAT AND CONTENTS

Responses should be prepared simply and economically, addressing the requirements according to the instructions provided and in a concise manner. **Each proposal shall be limited in size as to what can fit into a 1" binder.**

In order to facilitate review, Responses should be organized in the following sequence and include tabbed sections as set forth below:

Tab A. Responsiveness Conditions
Tab B. Responsibility Documentation
Tab C. Technical Proposal

A Response checklist is attached to this Solicitation to facilitate final review of Proposal format and content. The checklist is provided for the convenience of the Respondent and is not required to be returned with the Respondent's Proposal.

Note: Respondents must ensure that the Proposal submission marked "Original" contains all documentation necessary to meet the requirements of this Solicitation since the reviewers will rely solely on the Proposal marked "Original" to determine whether or not the Respondent has met the responsiveness and responsibility conditions of this Solicitation described in Part 2 of this RFP. Failure to include any required documentation in the Proposal marked "Original" will result in the Proposal being deemed non-responsive and/or non-responsible, as applicable. In the absence of any Proposal document marked "Original", Grove Land Utilities will randomly select one of the copies submitted by the Respondent and use that as a basis on which to determine whether or not the Proposal is responsive and responsible.

Tab A. Responsiveness Conditions

Each Proposal shall be reviewed for responsiveness in accordance with the following conditions. If a Respondent fails to satisfy these conditions, the Proposal shall be deemed non-responsive by Grove Land Utilities and not considered for further review:

(1) Timely submission of the Proposal (refer to Part 1.11 for more information)
(2) Compliance Disclosure Form (refer to Part 1.4 for more information)

Tab B. Responsibility Documentation

Each Proposal shall be reviewed for responsibility in accordance with the following conditions. If, at the time of Proposal submission, a Respondent fails to produce evidence to demonstrate compliance with each of the conditions noted below for items 1 and 2 (if applicable), the Respondent shall be required to produce evidence that such documentation was in effect at the time of Proposal submission within three (3) business days of notification by Grove Land Utilities. If Grove Land Utilities does not receive such evidence within this timeframe, the Respondent shall be deemed non-responsible for this Solicitation and its Proposal will not be considered for further review.

(1) *Minimum License Requirements*
The following minimum licenses will be required for this project:

The firm must have an in-house State of Florida licensed professional engineer under Chapter 471, Florida Statutes.

(2) *Evidence of Insurance Coverage*

Evidence of the ability to obtain appropriate insurance must be provided by the selected Respondent prior to award. Respondents may fulfill this requirement by having their insurance agent either (1) complete and sign an insurance certificate which meets all of the requirements in Attachment 1, or (2) issue a letter on the insurance agency's stationery stating that the Respondent qualifies for the required insurance coverage levels and that an insurance certificate meeting the requirements will be submitted before final execution or issuance of the contract.

All insurers must be qualified to lawfully conduct business in the State of Florida. Failure of Grove Land Utilities to notify the Respondent that the certificate of insurance provided does not meet the contract requirements shall not constitute a waiver of the Respondent's obligation to meet the stated requirements. In addition, receipt and acceptance of the certificate of insurance by the Grove Land Utilities, LLC shall not constitute approval of the amounts or types of coverage listed on the certificate.

Misrepresentation of any material fact, whether intentional or not, regarding the Respondent's insurance coverage, policies or capabilities, shall be grounds for rejection of the Response and rescission of any ensuing contract. If awarded a contract as a result of this Solicitation, the Respondent(s) shall maintain insurance coverage reflecting, at a minimum, the amounts and conditions as specified in Attachment 1, Insurance Requirements, attached to this Solicitation.

Supplemental Responsibility Review

(3) *Corporations and Partnerships*

Good Standing with the Florida Secretary of State

Grove Land Utilities may review (for all corporations or partnerships) the Respondent's corporate status and good standing with the Florida Secretary of State based on the information provided in the *Compliance Disclosure Form* (refer to Part 2, Tab A). If the Respondent is an out-of-state corporation, the Respondent must obtain authority to conduct business in the State of Florida. All corporations or partnerships that are not in good standing with the Florida Secretary of State at the time of Proposal submission shall be deemed non-responsible by Grove Land Utilities.

If successful in obtaining a contract award under this Solicitation, the corporation or partnership must remain in good standing throughout the contractual period of performance.

(4) *References*

'Client Reference' forms are attached to Part 2, Tab B1 of this Solicitation for completion by the Respondent of three (3) references. Respondents will include in these forms two (2) clients of the Respondent and one (1) client of the subcontractor or subconsultant team member (with the highest percentage of proposed work). Respondents that have no proposed team members (subcontractors and/or subconsultants) to accomplish project objectives will submit references for three (3) clients.

If the 'Client Reference' forms attached to Part 2, Tab B1 are not utilized, the Respondent shall provide identical information requested by Grove Land Utilities for evaluation purposes.

Respondents shall include separate and verifiable projects similar to the current solicited work. Past projects referenced in the Client Reference forms shall have been completed within the last three (3) years from the current Proposal submission date.

Respondents that have been in business for *less* than two (2) years shall provide at least two (2) references.

Note Regarding References:

- Respondents shall not list as references any subcontractors or subconsultants proposed for this Solicitation
- Respondents shall not list as references any individuals that are affiliated with Grove Land Utilities, Inc. or Evans Properties, Inc.
- Respondents shall not list parent or subsidiary companies

Tab C. Technical Proposal

This section of the Response explains the requested Statement of Work as understood by the Respondent and describes the methodology and approach proposed to meet the requirements and achieve the objectives of the Scope of Work. This section also includes any assistance, materials, equipment, reports, etc. which Grove Land Utilities must provide to the Respondent to complete the "Statement of Work." Evaluation criteria for evaluating the technical criteria are set forth in Part 3 of this Solicitation. The following details shall be included as part of this Response:

(1) Statement of the proposed work objective and scope.

(2) Methodology and rationale for the proposed approach.

(3) Proposed work plan that includes specific tasks, milestones, deliverables, completion schedule and list of resources and/or equipment that will be provided by the Respondent.

(4) Project management strategy.

(5) Qualifications of the prime Respondent and proposed subcontractors or subconsultants, including a summary of each firm's history, experience and staffing resources.

(6) Qualifications of the individual(s) who will perform the work, including experience in similar work, curriculum vitae, and relevant college, graduate or professional courses for both the prime Respondent and proposed subcontractors or subconsultants.

(7) For all team arrangements (subcontractors and/or subconsultants or joint ventures), provide a copy of each agreement, including a list of such parties by contact name, address/telephone number and a summary of how the work will be apportioned. Refer to the *Compliance Disclosure Form* (Part 2, Tab A) for the Subcontractor Plan form.

Note: The prime Respondent must perform a minimum of seventy-five percent (75%) of the work specified in Part 4. Any changes to the proposed team composition after the Response deadline specified on the cover sheet of this Solicitation shall not be considered without the prior written consent of Grove Land Utilities.

PART 2 - TAB A
COMPLIANCE DISCLOSURE FORM (Page 1 of 4)
SOLICITATION TITLE: Financial Feasibility Study, Grove Land Reservoir and Stormwater Treatment Area

The statements completed below are material representations of fact upon which reliance will be placed when making an award. If it is later determined that the Respondent knowingly rendered an erroneous statement, certification or representation in this document, the Grove Land Utilities may terminate the contract resulting from this Solicitation for default and the Grove Land Utilities may suspend the Respondent or pursue any other available remedies.

A. Statement of Business Organization

The Respondent, by completing the information requested below, represents that it operates as follows:

Legal Business Name (Prime Respondent):					
If applicable, different business name under which the Respondent is operating for this response:					
If applicable, previous business names under which the Respondent has operated within the past three (3) years from response submission:					
Mailing Address:					
Remittance Address:					
F.E.I.D.#:	Email Address:				
Telephone Number: ( )	Fax #: ( )				
Type of Organization:	Corporation	Partnership	Joint Venture	Sole Proprietorship	Not for Profit
Key Contact Name(s)/Telephone #(s):	Name(s):		Telephone #(s):		
			( )		
			( )		

B. Statements of Material Representation

The Respondent, by signing on page four (4) of this Compliance Disclosure Form, hereby certifies to Grove Land Utilities that neither the Respondent, nor its agents, principals and proposed subconsultants or subcontractors:

1. Has employed or retained any person or company to solicit or obtain a contract resulting from this Solicitation and has not paid or agreed to pay any person or company employed or retained to solicit or obtain a contract resulting from this Solicitation any commission, percentage, brokerage or other fee contingent upon or resulting from contract award.
2. Bidder represents that no actual or potential conflict of interest exists, directly or indirectly, with respect to the services to be provided in connection with this Solicitation.

COMPLIANCE DISCLOSURE FORM (Page 2 of 4)

SOLICITATION TITLE: Financial Feasibility Study, Grove Land Reservoir and Stormwater Treatment Area

C. Additional Representations

1. Respondent represents that it shall perform a minimum of seventy-five percent (75%) of the work specified in Part 4.
2. Respondent's proposed Project Manager and office location are as follows:

Prime Respondent:				
Name Of Project Manager:				
Street Address:				
	City	State	Zip Code	County
Telephone Number:	( )			

3. Respondent represents that proprietary information, if any, is identified on the following pages of the Proposal:

Page	Page	Page

4. Respondent represents that no actual or potential conflict of interest exists, directly or indirectly, with respect to the services to be provided in connection with this Solicitation, except as disclosed below:

5. Respondent identifies the following parent, subsidiary, or affiliate(s) to the organization:

COMPLIANCE DISCLOSURE FORM (Page 3 of 4)
SOLICITATION

D. Team Composition Plan

ORGANIZATION STATUS

Instructions:

- Identify below the parties that comprise the business association in this response.
- Indicate the type and percentage of work to be performed by the prime contractor or subcontractor(s)
- List each party below or identify on a separate sheet and attach to this Team Composition Plan (Plan).
- Prime Consultant must perform a minimum of 75% of the work specified in Part 4.

Business Association	Business Name	Business Address	Business Phone #	Description and Percentage (%) of Work to be Performed by the Prime and Subcontractors	
				Describe Type of Work to be Performed	% of Work
Prime Contractor					
Subcontractor					
Subcontractor					
Subcontractor					
Subcontractor					
Subcontractor					
Joint Venture					
Total Subcontractor Participation					%
Total Contract Amount					%
Total Subcontractor Participation Percentage					%

PART 2 - TAB B1
CLIENT REFERENCE FORMS
SOLICITATION

The Respondent must provide references for two (2) clients and one client of the subcontractor or subconsultant team member for separate and verifiable projects similar to the current solicited work. Past projects must have been completed within the last three years from bid submission. **Respondents are expected to provide information on each project by including these forms in their response.** If these forms are not utilized, the Respondent must provide identical information to Grove Land Utilities for evaluation purposes.

Respondents that have no proposed team members (i.e., subcontractors or subconsultants) to accomplish the proposed work shall submit references for three (3) clients. Respondents that have been in business for *less* than two years must provide at least two (2) references.

Note: Do not include other Grove Land Utilities projects as references, proposed team members or parent/subsidiary companies in your response.

A. Prime Respondent - Client #1

Name of firm to be contacted:_____

Address: _____

Contact Person: _____ **Phone Number** (____)_____

Project Performance Period: _____ to _____
Dates should be in mm/yy format

Location of Project: _____

Approximate Fee for Services: _____

Brief Description of the services performed for this project:

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B. Prime Respondent - Client #2

Name of firm to be contacted: _____

Address: _____

Contact Person: _____ **Phone Number (____)**_____

Project Performance Period: _____ **to** _____
Dates should be in mm/yy format

Location of Project: _____

Approximate Fee for Services: _____

Brief Description of the services performed for this project:

C. Client of Subcontractor or Subconsultant (with highest percentage of proposed work) or Prime Contractor if not subcontracting

Subcontractor name (if applicable) _____

Name of firm to be contacted: _____

Address: _____

Contact Person: _____ **Phone Number (____)** _____

Project Performance Period: _____ **to** _____
Dates should be in mm/yy format

Location of Project: _____

Approximate Fee for Services: _____

Brief Description of the services performed for this project:

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PART 3

EVALUATION CRITERIA – WRITTEN PROPOSALS

EVALUATION CRITERIA
Approach and Methodology: of the approach and its likelihood to effectively meet the study objectives. The approach should describe team members and their roles and provide the rational for the methods to be utilized to meet the study objectives, and how the analyses would be performed.
Experience and qualification of the firm (and subconsultants) with similar projects
Experience and qualifications of staff (and subconsultants) with similar projects
Knowledge of water resources issues in the study area
Understanding of the scope of work
Location: The Project Manager and key study team members should have office locations that are convenient to the study area (Vero Beach, FL).

Evaluation Committee

Grove Land Utilities will appoint a committee consisting of at least two (2) members with the expertise appropriate for the evaluation of all technical aspects of the project. Copies of Proposals submitted by the Respondents (as required on the cover page of this Solicitation) will be distributed to the evaluation committee members who will rely on the contents for their evaluations. Evaluation committee members will evaluate each proposal based on the evaluation criteria described above and discuss their conclusions with the Evaluation Committee Chairperson who will select the top proposal.

Proposal Evaluation – Selection Committee

Grove Land Utilities shall be the sole judge of its project requirements, as set forth in this Solicitation, of the evaluation of all Proposals submitted in response to this Solicitation and of the final contract award, as successfully negotiated. Grove Land Utilities' decision shall be final. All Proposals and prime Respondents will initially be screened for responsiveness and responsibility criteria, as described in Parts 1 and 2 of this Solicitation.

Proposals and Respondents who have met the responsiveness and responsibility conditions will be evaluated in accordance with the criteria detailed in Part 3, *Evaluation Criteria.* Committee members will independently evaluate the written Proposals based on the merit of each Proposal, as determined by the committee members, to meet the requirements stated in the Solicitation.

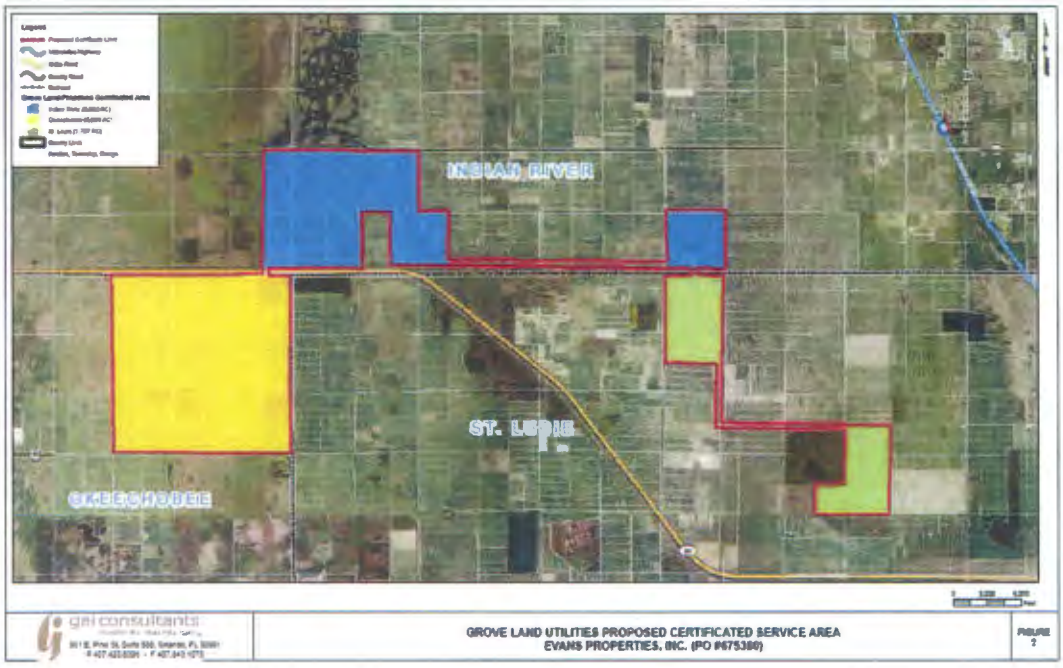
Part 4

STATEMENT OF WORK

FINANCIAL FEASIBILITY STUDY, GROVE LAND RESERVOIR AND STORMWATER TREATMENT AREA

INTRODUCTION/BACKGROUND

Groveland Utilities, Inc. is a wholly owned subsidiary of Evans Utilities, Inc., which in turn is a wholly owned subsidiary of Evans Properties, Inc. Groveland Utilities, Inc. was certificated by the Florida Public Service Commission (PSC) as a water and wastewater utility for the service territory encompassing certain Evans Properties, Inc. lands in Okeechobee, Indian River and St. Lucie Counties on May 25, 2012 (see map below).



A PSC regulated utility is required to have its pricing for services approved in advance of rendering a service by the PSC in a formal transparent public process. All accounting for costs must be done in accordance with PSC accounting regulations and profitability is restricted to a maximum return on investment as adjusted from time to time by the PSC for all utilities.

Grove Land Utilities, LLC has obtained grant funding from the St Lucie River Issues Team for Indian River Lagoon Projects. The funding was provided to support a financial feasibility of a

proposed Grove Land Reservoir, Stormwater Treatment Area (STA), and associated infrastructure. The South Florida Water Management District (SFWMD) and St Johns River Water Management District (SJRWMD) are also providing funding in support of the study. The overarching goal of the financial feasibility study is to assess the financial feasibility of a reservoir and STA constructed on land owned by Grove Land Utilities, LLC. Potential revenue from payments for water management services will be compared to the life cycle project costs to establish the financially viability of the proposed reservoir and STA.

The proposed reservoir and STA would provide water supply and environmental services. Studies by PBS&J (2006)[1] and HDR (2009)[2] evaluated the potential for improving regional water resources by reestablishing the historical hydraulic connection between the SFWMD and the SJRWMD and capturing excess stormwater runoff that would otherwise be discharged to the Indian River Lagoon (IRL) and/or St Lucie Estuary (SLE). It was concluded that substantial water supply and environmental benefits could be achieved by 1) reestablishing a hydraulic connection between the two water management districts, and 2) constructing a reservoir and STA in the C-24/C-25 Basin to capture, store, and treat excess stormwater runoff.

Water resources in Indian River and St Lucie Counties and surrounding areas are characterized by frequent water supply shortages that are becoming more severe and environmental harm caused by excessive stormwater discharges to the IRL and SLE.

Regional Water Supply

Within the region surrounding the Grove Land Reservoir site, the vast majority of water supply demand has been met from the Floridan Aquifer. However, concern regarding the sustainability of increasing water withdrawals from the Floridan Aquifer led the SFWMD, SJRWMD, and the Southwest Florida Water Management District to form the Central Florida Water Initiative[3]. Its

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[1] PBS&J. 2006. Summary and Methodology, C-25 Basin and Upper St Johns River Basin Reconnection, St. Lucie and Indian River Counties. Prepared for the South Florida Water Management District and St Johns River Water Management District, West Palm Beach, FL. http://mytest.sfwmd.gov/portal/page/portal/xrepository/sfwmd_repository_pdf/final%20rpt%20c-25%20and%20usjr.pdf

[2] HDR. 2009. St Lucie and Indian River Counties Water Resources Study. Prepared for the South Florida Water Management District and St Johns River Water Management District, West Palm Beach, FL. http://www.sfwmd.gov/portal/page/portal/xrepository/sfwmd_repository_pdf/irsl%20wr%20study%20final%20summary%20report.pdf

[3] For more information go to: http://cfwiwater.com/

purpose is to address near-term and long-term development of water supplies in the central Florida region, including southern Lake, Orange, Osceola, Seminole, and Polk Counties.

In 2006, Phase 1 of the Action Plan concluded with interim water use regulations limiting groundwater withdrawals to projected 2013 demands and requiring development of alternative water supplies for future needs. Because of the significant economic downturn , e.g., including in central Florida, it is anticipated that the 2013 level of water supply demands will be delayed by at least two years. The Central Florida Water Initiative is proceeding with development of a Phase II action plan that will identify long-term measures to meet future water supply demands. When the sustainable capacity of the Floridan Aquifer to provide water supply is reached, the water management districts will require that alternative water supplies be pursued.

The C-23, C-24, and C-25 canal system is isolated from the regional Central and Southern Florida Project[4]. The lack of storage capacity in these basins results in frequent surface water shortages. SFWMD's 2008 Basis of Review for Water Use Applications contains provisions addressing concerns that water availability in the C-23, C-24, and C-25 Basins is limited. The guidelines state that no additional surface water will be allocated from District canals or any other connected canal systems over and above the existing allocations. No increase in surface water pump capacity will be recommended. Furthermore, restrictions are placed on pumps on Floridan Aquifer wells in Martin and St Lucie Counties. No pumps will be allowed on a flowing Floridan Aquifer well unless; 1) it was in place and operational prior to 1974; 2) the pump is required to increase pressure and not to increase flow over what naturally emanates from the well; 3) a study is performed that shows that pump withdrawals will not interfere with any existing legal use; 4) the pump is installed temporarily to assist with freeze protection; or 5) the pump will temporarily assist in meeting allowable withdrawals for the duration of a water shortage.

Environmental Impacts of Stormwater Discharges to St Lucie Estuary and Indian River Lagoon

Under pre-development drainage conditions, stormwater runoff in Martin and St Lucie Counties would collect in coastal wetlands where it would be detained allowing nutrients to be filtered through physical and biological processes. Much of the runoff was captured west of the coastal ridge which created a barrier to runoff to tide. As the wetlands were filled, flows to tidal waters would gradually begin through small creeks and sloughs that traversed the coastal ridge. Today, an intensive drainage system consisting of primary, secondary, and tertiary canals quickly conveys

[4] The Central and Southern Florida Project is the regional water management system that was constructed by the US Army Corps of Engineers pursuant to a series of Congressional authorizations beginning in 1948. The service area for the project includes the area within the boundaries of the SFWMD, which operates and maintains the vast majority of the water management facilities within the project.

stormwater to tide from areas east and west of the coastal ridge. Both the annual volumes and the maximum flow rates of stormwater discharges to IRL and SLE have increased dramatically.

On average, 135,000 acre-feet of stormwater is discharged from C-25 into the Indian River Lagoon and 136,000 acre-feet of stormwater is discharged from C-24 into the St Lucie Estuary each year. With these discharges, excessive nutrients (total phosphorus (TP) and total nitrogen (TN)) are introduced to the receiving waters. The Florida Department of Environmental Protection (FDEP) has developed a nutrient total maximum daily load (TMDL) for TP discharges to the SLE. A basin management action plan (BMAP) is under development to define measures that are required to meet the TMDL.

Discharges of stormwater runoff in the past century have changed and increased instability of salinity levels which has destroyed native habitat (USACE 2004)[5]. Reductions in salinity levels in the estuary resulting from large stormwater discharges result in dramatic losses of oysters and aquatic vegetation. Additionally, deposition of sediment associated with stormwater discharges buries native plants and animals and degrades water clarity which inhibits healthy growth of submerged aquatic vegetation. Unconsolidated sediments have accumulated and are frequently re-suspended by wave energy (USACE 2004). These unconsolidated sediments have severely degraded habitat for bottom dwelling organisms and added to the overall water quality problems in the estuary by reducing both water clarity and dissolved oxygen (DO). Furthermore, the loss of hard substrates has impacted the population of oysters, mussels, and other sessile benthic species.

Grove Land Reservoir and Stormwater Treatment Area Description

The proposed Grove Land Reservoir would be located in Okeechobee and Indian River Counties on the C-25 Extension Canal (see map below). Excess stormwater from the C-25 and C-24 Basins would be captured and stored in the reservoir for use as a supplemental source of regional water supply. All discharges from the reservoir would be filtered through the stormwater treatment area (STA) to reduce nutrient concentrations and loads and to help meet applicable water quality standards.

The Grove Land Reservoir and STA would be designed, permitted, constructed, and operated and maintained by Grove Land Utilities through a public private partnership with the SFWMD and/or SJRWMD. The partnership has yet to be defined. Project beneficiaries would make payments for water management services to cover project costs. Potential services that could be provided by the proposed project include:

- reductions in stormwater discharges to the SLE and Indian River Lagoon (IRL),

[5] US Army Corps of Engineers and SFWMD. 2004. Indian River Lagoon – South, Project Implementation Report, Comprehensive Everglades Restoration Plan. West Palm Beach, FL.

- delivery of supplemental water supply to counties and/or municipalities, local agricultural operations, and other users, and
- water quality improvements (TP and TN reductions) for discharges to the SLE and IRL.

A conceptual plan has been developed for the proposed project that calls for the construction of a 3,200 acre reservoir and a 2,000 acre STA on land owned by Grove Land Utilities. The reservoir would provide eight feet of above ground water storage. Its footprint would be surrounded by a half mile strip of land also owned by Grove Land Utilities to avoid adverse impacts to adjacent land owners.

The Grove Land Reservoir would capture excess stormwater runoff and make it available for supplemental water supply. Releases from the reservoir would be filtered through the STA to help meet applicable water quality targets for the SLE and IRL and to improve water quality in C-25 and C-24. The water supply service area for the Grove Land Reservoir could include lands in Martin

and St Lucie Counties (that area connected to C-23, C-24, or C-25), areas in the Upper St Johns River Basin, other proximal areas that could potentially be connected by pipeline or open channel conveyances, and areas serviced by the downstream sections of the St Johns River.

C-24 flows that would otherwise be discharged to SLE would be diverted from C-24 to C-25 via the G-81 structure. This structure was used in Water Year 2011 (5/1/10 to 4/30/11) to discharge just over 90,000 acre-feet of water from C-24 to C-25, with a maximum daily discharge of 560 cfs. As part of the proposed project, the G-81 structure may also need to be enlarged to increase its capacity in order to maximize project benefits. Additionally, SFWMD has just completed modifications to G-78 that will enable greater discharges from C-23 northward to C-24. As a result, excess water from C-23 could also be conveyed northward to the Grove Land Reservoir.

The location of the proposed STA would make it possible to discharge water directly to the Upper St Johns River Project. However, improvements in conveyance capacities of C-52 (L-79 Flow-way) may be required to avoid adverse flood control impacts to adjacent properties. This could help address growing problems of increasing demand on the finite water supply provided by the St Johns River and provide an alternative water supply to the Floridan Aquifer.

The Grove Land Reservoir and STA could also play a role in meeting existing and future water quality standards. A basin management action plan (BMAP) is currently being developed to lay out the actions that will need to be taken by land owners in the areas that contribute flow to the St Lucie Estuary, including the C-24 Basin. The Grove Land Reservoir and STA could help meet the TP TMDL by reducing flows to the estuary and by reducing TP concentrations in the remaining discharges to the estuary from C-24. Additionally, in accordance with the requirements of the Northern Everglades and Estuaries Protection Plan, SFWMD will establish TP reduction targets that will have to be met through implementation of best management practices (BMPs) and other source control measures for discharges from the C-24 Basin. Construction of the reservoir and STA could meet these targets potentially with no additional action being required by land owners.

Indian River Lagoon – South Project, Comprehensive Everglades Restoration Plan

The IRL – South Project is a component of the Comprehensive Everglades Restoration Plan (CERP) and has been authorized for construction by a partnership between SFWMD and USACE. The IRL-S Project includes plans for a C-25 Reservoir and STA, a C-23/24 Reservoir and STA, and several other components (USACE 2004). For the C-25 Basin, the authorized plan includes an 8-foot deep, 741 acre reservoir and a 163 acre STA. For the C-23/24 Basin, the plan calls for two reservoirs, a north and south, with a total of about 11,500 acres in size and a 2,500 acre STA. The purpose of these components is to capture and treat local runoff from the C-23/24 and C-25 Basins. Water captured in the reservoirs would also be available to augment water supply following the end of the rainy season. These features would be operated to reuse basin water to meet water quantity and nutrient targets for the IRL and SLE (USACE 2004).

Land has been acquired for the north C-23/24 Reservoir and STA and most of the south reservoir although it is not in the same location that was originally envisioned in the plan. As a result, a redesign has been initiated but has been put on hold due to budgetary and priority considerations. No land has been acquired for the IRL-S C-25 Reservoir and STA and design has not been initiated. The proposed Grove Land Reservoir and STA are located at a site which could provide the same objectives as the IRL-S plan by replacing the C-25 Reservoir and STA and reducing the required capacity of the C-23/24 Reservoir and STAS. While the proposed Grove Land Reservoir and STA differ from the IRL-S plan, it is common that during the USACE design process, plans are refined to optimize benefits.

During the USACE design process, a plan recommended in a feasibility study can be modified if it is shown that the modification increases the project benefits and is cost effective. It is anticipated that design studies would be undertaken in collaboration with the US Army Corps of Engineers to evaluate adoption of the proposed Grove Land Reservoir into the IRL-S Project. Such an evaluation could result in adoption of the Grove Land Reservoir and STA into the federal plan which would make it eligible for federal cost sharing (50/50 for design, construction, and land acquisition).

Design and construction of CERP IRL-S Project components planned for the C-23/C-24 Reservoir and STA is on hold until at least 2020, when a new integrated CERP schedule will be developed. Design of the IRL-S Project C-25 Reservoir and STA has not been initiated and is not currently scheduled. In 2020, when the updated integrated CERP schedule is developed, it is not certain that design for these components will be scheduled. In light of the limitations on federal and state budgets that are likely to remain for the foreseeable future, implementation of the proposed reservoir and STA through a public private partnership provides the advantages of accelerated project implementation and substantially reduced budgetary requirements for federal and state agencies.

OBJECTIVES

The objectives of the Grove Land Reservoir and STA financial feasibility study are to:

- Assess all potential revenue sources to determine whether they are sufficient to generate a reasonable return on capital investment and annual costs, and
- Complete the feasibility in a transparent manner that allows input and feedback from the technical advisory committee (TAC) and stakeholders.

SCOPE OF WORK

The consultant shall prepare a financial feasibility study of a proposed Grove Land Reservoir and STA. Proposals responding to this solicitation should be based on a maximum budget of no more than $250,000. Additionally, Respondents may deviate from the tasks and approach described below in the Scope of Work if they feel an alternative approach would more effectively meet the study objectives. This would include Respondents not being limited to

considering only a 3,200 acre reservoir and 2,000 acre STA as contemplated in the previous conceptual design. A sound rational for any deviations should be provided in the proposal.

The study shall be conducted in a manner that allows ongoing input from a Peer Review Group (PRG) and stakeholders with the goal of building consensus and gaining broad support of the findings. The PRG will be composed of knowledgeable individuals representing SFWMD, SJRWMD, and Grove Land Utilities. The group should be informed of study progress, provide input for identification and resolution of potential issues, and will review and comment on all deliverables. The proposal should outline an approach for efficiently and effectively exchanging information with the PRG and stakeholders.

The Project Manager (PM) will serve as the primary point of contact and intermediary between the consultant and the PRG and stakeholders. The PM will integrate and interpret input from the PRG and stakeholders.

The study will consist of two phases, with a stop/go decision following the first phase. Depending on the findings of the first phase and the performance of the consultant, Grove Land Utilities will choose to either terminate the contract or to proceed to phase 2 of the study. If the study proceeds to Phase 2, the Task 2.3 Financial Feasibility Report for the Grove Land Reservoir and STA will summarize all findings in Phases 1 and 2 and will address PRG comments on intermediate deliverables.

The Grove Land Reservoir (GLR) Model has been used to estimate water supply yield of the reservoir and will be provided to the consultant. The GLR Model is a mass balance spreadsheet model that simulates reservoir inflows and outflows based on recorded daily flows in C-25 and C-24 and daily rainfall, potential evapotranspiration, and infiltration from HDR (2009). Water supply yield has been calculated with the model based on the rate of flow that could be discharged from the reservoir with 90% reliability – the flow that could be maintained for 90% of the days in the simulation period (1965-2005).

Phase I

Phase I of the study will consist of a high level qualitative evaluation of the financial viability of a proposed reservoir and STA. Phase I should represent approximately 20% of the total level of effort and should be based on literature reviews and consultation with knowledgeable individuals from the water management districts, state and local agencies, utilities, environmental groups, etc. The proposal should describe the Respondent's approach for compiling and evaluating the needed information and provide suggestions for criteria that could be used as a fatal flaw test for the Go/No Go Decision. If the respondent provides a compelling rational for a significant variation from this strategy and/or level of effort, it should be presented in the proposed approach.

Phase 2

A more focused qualitative evaluation of the financial feasibility of a Grove Land Reservoir and STA will be performed in Phase 2. It will consist of more in depth evaluations of the Phase 1 findings. Qualitative estimates of design, construction, and operation and maintenance costs will be developed and compared to qualitative estimates of potential revenue sources. The goal will be to determine whether the potential revenue will be sufficient to generate a reasonable return on capital investment and annual costs.

Assumptions that should be used for the study are provided in the following table.

Question/Issue	Study Assumption	Comments
Who will operate the reservoir?	Grove Land Utilities will operate and maintain the reservoir and STA.	
Capital alterations (cost) and changes in operating costs parameters required by SFWMD to allow reseroivr to meet proposed operating criteria over its life	Capital alterations to C&SF Project facilities (i.e. expanding G-81 or enlarging the Turnpike Canal) will be considered in the evaluation.	Responsibilities for capital and operational costs will be defined in the contract between the WMD's and Grove Land Utilities.
The evaluation of the reservoir would be based on the assumption of currently available water. The District would have to agree not to otherwise divert the required water during the contracted life of the reservoir for other purposes.	The evaluation of the reservoir/STA will continue to be based on historic flows in C-25 and C-24.	
What will the quality criteria for water discharged from the reservoir under normal and flood conditions?	TP discharges from the STA to C-25 should meet the SLE TMDL standards (0.081 mg/l TP and 0.720 mg/l TN). Flood discharges made to prevent reservoir stages from exceeding maximum safe levels will not be treated.	
Inter-basin discharges to meet water supply demands	There will be no legal or political constraints on inter-basin transfers of water.	
Use of a public-private partnership for implementation of the project.	No obstacles to use of a public private partnership.	
Preliminary sizing of STA.	Preliminary sizing developed in Economic Feasibility Study based on traditional wetland treatment system.	Final STA sizing will be dependednt on treatment technology, as wells as demands, role in BMAP, WQ standards, etc and will be developed in more detailed design phase
Enviornmental cost of no action - degradation of IRL and SLE and impacts on tourism, commercial fishing, etc.	Based on the Congressionally authorized IRL-S CERP Project - by law, the cost of the project is justified by the restoration benefits. The portion of the IRL-S Project benefits provided by the Grove Land Project can be pro-rated.	This portion of the Grove Land Reservoir and STA costs can (theoretically) be cost shared by USACE.

Question/Issue	Study Assumption	Comments
Is the environmental goal of the project to reduce flows to both the IRL and SLE - or just IRL?	Water supply withdrawals will be obtained from both C-24 and C-25. The priority will be to take water from C-24, thus prioritizing protection of SLE.	By using both C-24 and C-25 as sources of water, the water supply yield of the reservoir is increased substantially

WORK BREAKDOWN STRUCTURE

Phase 1: Qualitative Assessment of Financial Feasibility

A high level qualitative assessment of the financial feasibility of a public private partnership for design, construction, and operation and maintenance of a Grove Land Reservoir and STA will be performed. The following potential revenue sources will be evaluated:

- Water utilities and major water users in the SFWMD and SJRWMD,
- SFWMD and SJRWMD,
- Federal cost sharing under the IRL-S CERP Project, and
- Businesses, land owners, local governments, etc required to implement best management practices to achieve the SLE Nutrient TMDL.

Other potential revenue sources will also be inventoried and investigated by the consultant. Qualitative estimates of the potential revenue will be developed based on literature reviews and consultation with knowledgeable individuals from water management districts, state agencies, utilities, environmental groups, etc. Sources of information should be documented.

Estimates of the costs of design, construction, and operation and maintenance of the proposed Grove Land Reservoir and STA should be developed. Costs of modifications to existing water management infrastructure and any other costs (i.e., the cost of pipelines to convey water from the reservoir to potential customers) should be included. Cost can be based on available USACE Project Implementation reports that provide roughly 30% engineering design and cost estimates for similar reservoirs and STAs in the region and actual costs of water management facilities constructed by USACE, SFWMD, or SJRWMD. This approach was utilized by HDR (2009) to estimate the cost of reservoir and STA alternatives.

The information obtained regarding potential revenue sources and life cycle project costs shall be utilized to provide a qualitative assessment of the financial viability of a proposed reservoir and STA. Methods for collecting and managing the revenue from the various sources should be described.

The consultant should also summarize the societal costs associated with a no action scenario in which flood water runoff is continued to be discharged to the IRL and SLE with the associated nutrient loading, sedimentation, and disruptions of natural salinity regimes. Economic impacts

associated with the resulting loss of recreational activity, the decline in property values, increased cost of restoration if action is delayed, etc.

The proposal should describe potential criteria that could be used in this assessment to identify fatal flaws and assist in the Go/No Go Decision process. A Phase I Summary Report should be submitted for review by the TAC.

Deliverables

1 Phase 1 Summary Report

GO/NO GO Decision Point

A workshop may be conducted with the PRG to assess the Phase 1 findings and discuss the path forward. A go/no go decision will be made by Grove Land Utilities based on performance of the consultant during Phase 1, the findings of the qualitative financial viability assessment of a Grove Land Reservoir and STA, and feedback from the TAC.

Phase 2

Task 2.1 Identification of Potential Revenue Sources and Metrics

The consultant will conduct an evaluation of potential revenue sources identified in Phase 1. Revenue should be based on payment for water management services. This will include the following services, in addition to any other potential sources identified by the consultant:

Water Supply Services: The consultant will contact Counties, municipalities, water utilities, major water users, etc in the Grove Land Reservoir service area to establish projected near-term (5-year) and long-term (minimum 20-year) water supply demands. The consultant shall describe methodologies used to estimate demands and summarize all parameters and demands on a per-entity basis, including a graphical depiction of entity locations.

Environmental Restoration Services - IRL-S CERP Project: In consultation with the SFWMD, the consultant shall investigate the potential for federal cost sharing in the design and construction of the reservoir and STA. Such cost sharing would be for replacing the IRL-S[6] reservoir and STA planned for the C-25 Basin and/or replacing a portion of the storage and treatment capacity that would be provided by the IRL-S C-23/C-24 reservoir and STA. The process required for obtaining a federal cost share should be described.

General Water Management Services: The missions of the SFWMD and SJRWMD are to preserve and protect the state's water resources within their respective boundaries for flood protection, water supply, and environmental preservation and enhancement. The operation of the Grove Land Reservoir and STA would substantially advance the mission of the water

[6] http://www.evergladesplan.org/pm/projects/proj_07_irl_south.aspx

management districts by providing an alternative water supply, improving water quality, reducing harmful discharges to the IRL and SLE, and, while not a purpose of the proposed reservoir, providing a supplemental means to discharge flood waters. Additionally, the proposed reservoir would enable water managers to make inter-district discharges when opportunities arise to benefit flood protection, water supply, and/or natural resources.

Water Quality Treatment Services: The SFWMD is working with FDEP in the development of a BMAP for the nutrient TMDL for the St Lucie Estuary. The BMAP is the "blueprint" for restoring impaired waters by reducing pollutant loadings to meet the allowable loadings established in a TMDL. It represents a comprehensive set of strategies--permit limits on wastewater facilities, urban and agricultural best management practices, conservation programs, financial assistance and revenue generating activities, etc.--designed to implement the pollutant reductions established by the TMDL. These broad-based plans are developed with local stakeholders--they rely on local input and local commitment--and they are adopted by Secretarial Order to be enforceable. Operation of a Grove Land Reservoir and STA would substantially contribute to the water quality goals for the C-24 Basin. The consultant shall investigate the possibility that landowners, municipalities, or industries could contribute to the cost of the Grove Land Reservoir and STA operation in lieu of implementing water quality measures that would otherwise be required by the BMAP.

Other Potential Water Management Services: The consultant shall explore other potential revenue sources and estimate the anticipated revenue that could be generated.

For each potential revenue source, the metric and method to calculate payments from customers should be identified. For example, the metric used to establish payments from water utilities might be the cost per million gallons of water delivered each month to the treatment plant.

A summary of the potential revenue sources and payment metrics will be prepared and distributed to the PRG prior to a regularly scheduled stakeholder/PRG meeting. The consultant shall make a presentation at the meeting to describe the methodology and findings of this effort. PRG comments on the methodology and findings will be recorded so they may be addressed in the final report to be prepared in **Task 2.3**.

Deliverables

2.1 Summary of Inventory of Potential Revenue Sources and Metrics

Task 2.2 Life Cycle Project Cost Estimate

A parametric cost estimate should be developed that is based on historical cost data. The cost estimate should address design, permitting, construction, and operation and maintenance of a Grove Land Reservoir and STA and other associated infrastructure. Topographic survey data for the Grove Land property located in Okeechobee county will be provided to the consultant, as well as boundary survey information for both properties. Collection of additional field data,

detailed engineering design, hydraulic modeling, etc should not be performed for this project. Knowledgeable individuals, including water managers from SFWMD and SJRWMD, should be consulted to obtain information about site conditions, existing water management facilities, etc.

The cost of associated infrastructure improvements, such as required modifications of other water management facilities in either the SFWMD or SJRWMD should be included. This may include facilities required to re-establish a hydraulic connection between SFWMD and SJRWMD, conveyance improvements to the C-52/L-79 Flow-way or C-25 Extension (Turnpike Canal), enlargement of G-81, or other modifications to the water management system. It may also include pipelines, service roads, pump stations, electrical supply, building structures, and instrumentation and control systems necessary to properly operate the system and deliver the water management services for which revenues could be generated.

The current STA design assumes a footprint of 2,000 acres. As part of the cost estimate, the consultant shall utilize the DMSTA model to determine the required STA size based on:

- Meeting water quality standards for discharges northward into the Upper St Johns River basin and SLE, and/or
- Meeting the TMDL standard for C-24 discharges to the St Lucie Estuary.

All assumptions should be documented, including service lives of all components. Uncertainties should be addressed through the application of contingencies in the cost estimate, or another suitable approach that can be recommended in the proposal. The methodology and findings of the cost estimate shall be summarized and distributed to the PRG for review and comment. The consultant shall make a presentation describing the cost estimating methodology and findings at a regularly scheduled TAC/stakeholders meeting. The PRG will provide comments that should be addressed in the final report to be prepared in **Task 2.3**.

Deliverables

2.2 Cost Estimate Document

Task 2.3 Financial Feasibility Study of Grove Land Reservoir and STA

Economic feasibility is determined by whether revenue is sufficient to generate a reasonable return on capital investment and annual costs. Financial viability can depend on the timing of new demand and bringing new supplies on line - unless the project can deliver water at competitive prices in the current market. Additional financial considerations could include the opportunity cost of land.

Using the metrics developed in **Task 2.1**, the consultant shall estimate potential annual revenues for providing each of the water management services identified. The consultant shall compare the anticipated revenue with the estimated life cycle costs to establish whether a Grove Land Reservoir and STA is financially viable. The study methods, assumptions, and findings (for all

tasks) shall be documented in a draft report. The consultant shall make a presentation of the study methodology and findings at a regularly scheduled TAC/stakeholder meeting. The PRG will review and comment on the draft report. The PM will compile the PRG comments and resolve conflicting comments, if necessary, prior to forwarding them to the consultant. The consultant will address the PRG comments and finalize the report.

Deliverables
2.3 Draft Financial Feasibility Report
2.4 Final Financial Feasibility Report

Task 3 Communications Strategy

It is important that the PRG and stakeholders have meaningful opportunities to provide input and feedback to the study as it progresses. Accordingly, the proposal should provide the consultant's proposed approach for efficiently meeting the following objectives:

- Obtain meaningful input from the PRG and stakeholders.
- Keep the PRG and stakeholders informed of study progress and preliminary findings,
- Provide ongoing opportunities for technical review by the PRG, and
- Foster identification and quick resolution of technical issues as they arise.

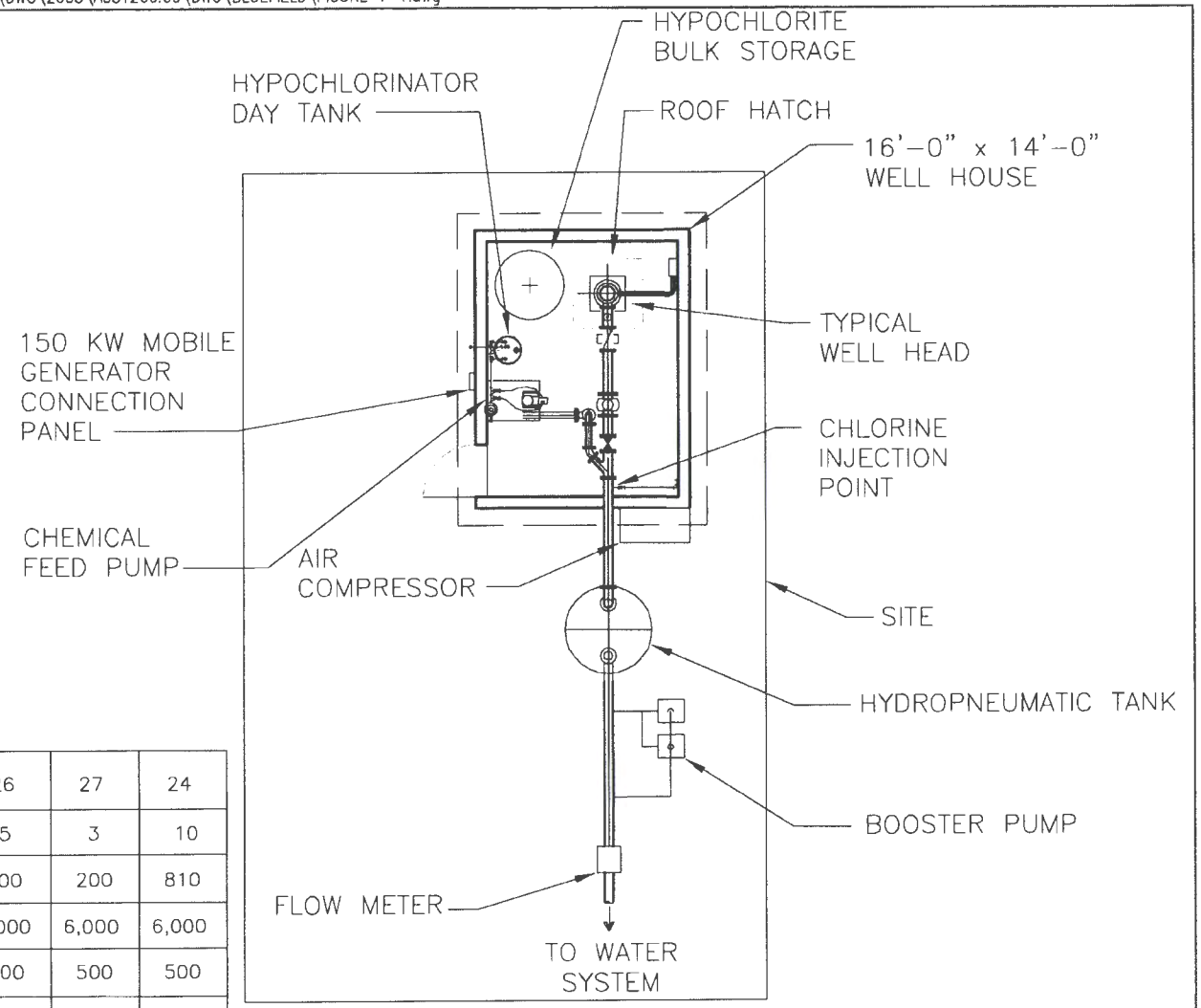
Deliverables
TBD

TIME SCHEDULE AND TIME FRAMES

The following deliverable schedule is provided as a guideline. Proposals may recommend a deliverable schedule that differs from the following schedule although the final deliverable (2.4) shall not be submitted later than 12 months following notice to proceed.

Deliverable No.	Description	Due (months from NTP)
1	Phase 1 Summary Report	2
	Go/No Go Decision	
2.1	Inventory of Potential Revenue Sources	5
2.2	Cost Estimate Document	8
2.3	Draft Financial Feasibility Report	10
2.4	Final Financial Feasibility Report	12
3	PRG and Stakeholder Communications	TBD

Plotted: Mar 06, 2013 – 3:18pm by xuz P:\ORL\HCD\CADD\DWG\2008\A081266.00\DWG\BLUEFIELD\FIGURE 1-1.dwg



WELL ID #	25	26	27	24
WELL SIZE (INCHES)	12	5	3	10
WELL CAPACITY (GPM)	600	100	200	810
HYDRO PNEUMATIC TANK (GAL)	–	3,000	6,000	6,000
HYPOCHLORITE BULK STORAGE (GAL)	–	500	500	500
HYPOCHLORINATOR DAY TANK (GAL)	50	50	50	50
AIR COMPRESSOR (HP)	–	1	1	1
BOOSTER PUMPS (HP)	–	–	–	–
SITE SIZE (ACRES)	4	4	4	4

D-2A FIGURE

BLUEFIELD UTILITIES, LLC
ST LUCIE COUNTY ID 2
CONCEPTUAL WTP SCHEMATIC

PO #675380

gai consultants
transforming ideas into reality
301 E. Pine Street - Suite 1020
Orlando, Florida 32801
Phone 407.423.8398 Fax 407.843.1070

D-2B

FIGURE

BLUEFIELD UTILITIES, LLC
ST LUCIE COUNTY ID 2
CONCEPTUAL WATER DISTRIBUTION SYSTEM LAYOUT

PO #675380

gai consultants
transforming ideas into reality
301 E. Pine Street - Suite 1020
Orlando, Florida 32801
Phone 407.423.8398 Fax 407.843.1070

SCHEDULE 21A
BLUEFIELD UTILITIES, LLC
WASTEWATER RATE BASE
YEAR 7
Revised for City of Port St. Lucie and Martin County Settlements and Updated for 2012

Utility Plant In Service	$	2,084,856
Accumulated Depreciation	$	(228,371)
Contributions in Aid of Construction	$	(1,445,060)
Accumulated Amortization of CIAC	$	93,039
Less: Non Used & Useful Adjustment	$	-
Working Capital Allowance	$	13,743
Total Rate Base	$	518,206