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COMMISSION  
CLERK

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February 17, 2012

VIA HAND DELIVERY

Ms. Patti Daniel  
Public Utilities Supervisor  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

12 FEB 17 AM 9:26  
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PUBLIC UTILITIES  
COMMISSION

Re: **PSC Docket No. 090445-WS; Application for original certificate for proposed water and wastewater systems and request for initial rates and charges in Indian River, Okeechobee and St. Lucie counties by Grove Land Utilities, LLC**

Dear Ms. Daniel,

Please accept this as the response of Grove Land Utilities, LLC ("Grove Land") to your letter of February 10, 2012.

1. **Financial Ability.** Grove Land continues to rely on Evans Properties, Inc. ("Evans") for its funding. On Wednesday, February 15, the most recent financial statement for Evans was filed at the Commission.

2. **Proof of Ownership.** Grove Land has or will have ownership or long term use of the land. The lease agreement contains a primary term of 20 years.

a. Attached are copies of an executed (1) First Amendment to Water Lease Agreement, and (2) First Amendment to Wastewater Lease Agreement, amending Paragraph 6 of both lease agreements to provide that the delay rental payment is not due until one year after issuance of Grove Land's PSC Certificate, and confirming that the Leases remain in full force and effect.

b. Paragraph 9 was intended to assure that the utility would have the right to extend the term of the lease for any well site based upon an easily attainable threshold which must be demonstrated to the Lessor to show that the site is being operated and/or is intended to be operated as a productive well site. Grove Land fully understands that when these leases are finalized, after well sites are determined with specificity, that the lease should provide reasonable assurance to the

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Commission that the utility has long term control of the sites. At that time, if staff feels that paragraph 9 should be clarified, both the applicant and the landowner commit to negotiate with the staff in that regard in good faith.

- c. We are unable to provide legal descriptions of the proposed Phase I water and wastewater leased premises at this time, as they will not be designed and their exact location determined until after Grove Land obtains its utility certification. Prior to the implementation of service, Grove Land will provide the Commission with revised leases including legal descriptions identifying the location of the utility facilities.
  - d. The lease agreements have not been terminated.
3. **Territory.** The applicant's proposed service territory was not affected by any of the settlement agreements.
4. **Cost Study.**
- a. Prior to the implementation of service, or the assessment of any rates, fees or charges, Grove Land will seek and obtain Commission approval for such rates, fees or charges based upon the currently available information regarding Grove Land's costs.
  - b. Prior to the implementation of service, or the assessment of main extension charges, Grove Land will secure separate water and wastewater main extension charges in its Service Availability Policy from the Commission.

Should you have any questions regarding these responses, please do not hesitate to contact me.

Sincerely,



JOHN L. WHARTON  
For the Firm

JLW/bsr

cc: Ralph Jaeger  
Michael Minton  
Lee Dobbins

**FIRST AMENDMENT TO WATER LEASE AGREEMENT**

**THIS FIRST AMENDMENT TO WATER LEASE AGREEMENT** (this "Amendment") is hereby entered into by and between EVANS PROPERTIES, INC., a Florida corporation ("Lessor"), and GROVE LAND UTILITIES, LLC, a Florida limited liability company ("Lessee") on February 15, 2012.

**WITNESSETH:**

**WHEREAS**, Lessor and Lessee entered into that certain Water Lease Agreement (the "Lease") dated September 2, 2009.

**WHEREAS**, Lessor and Lessee have deemed it in their best interest to amend the terms of the Lease as provided hereinbelow.

**NOW THEREFORE**, in consideration of Ten Dollars (\$10.00) in hand paid, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The first sentence of Paragraph 6 of the Lease is hereby deleted and the following is substituted in lieu thereof:

If operations for drilling are not commenced on the Leased Premises on or before one (1) year from the date when LESSEE is granted a utility certificate by the Florida Public Service Commission (the "Certificate"), this Lease will terminate unless on or before such anniversary date LESSEE pays LESSOR a delay rental of One Dollar (\$1.00) per acre, which shall cover the privilege of deferring commencement of drilling operations for 12 months. If the Certificate is not granted on or before five (5) years from the Effective Date, either LESSOR or LESSEE may terminate this Lease by delivering written notice thereof to the other.

2. Except as otherwise provided herein, all provisions of the Lease shall remain in full force and effect as amended hereby.

3. This Amendment may be executed in any number of identical counterparts each of which shall be deemed to be an original for all purposes but all of which shall constitute one and the same instrument, and a copy of such signature received through telefax transmission shall bind the party whose signature is so received as if such signature were an original. In making proof of this Amendment, it shall not be necessary to produce or account for more of such counterparts than are required to show that each party hereto executed at least one such counterpart.

**IN WITNESS WHEREOF**, the parties hereto have executed this First Amendment to Water Lease Agreement on the date shown above.

LESSOR:

EVANS PROPERTIES, INC., a  
Florida corporation

By: Ronald L. Edwards  
Ronald L. Edwards, President

[CORPORATE SEAL]

LESSEE:

GROVE LAND UTILITIES, LLC, a Florida  
limited liability company

By: Ronald L. Edwards  
Ronald L. Edwards, Manager

**FIRST AMENDMENT TO WASTEWATER LEASE AGREEMENT**

**THIS FIRST AMENDMENT TO WASTEWATER LEASE AGREEMENT** (this "Amendment") is hereby entered into by and between EVANS PROPERTIES, INC., a Florida corporation ("Lessor"), and GROVE LAND UTILITIES, LLC, a Florida limited liability company ("Lessee") on February 15, 2012.

**WITNESSETH:**

**WHEREAS**, Lessor and Lessee entered into that certain Wastewater Lease Agreement (the "Lease") dated September 2, 2009.

**WHEREAS**, Lessor and Lessee have deemed it in their best interest to amend the terms of the Lease as provided hereinbelow.

**NOW THEREFORE**, in consideration of Ten Dollars (\$10.00) in hand paid, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The first sentence of Paragraph 6 of the Lease is hereby deleted and the following is substituted in lieu thereof:

If operations are not commenced on the Leased Premises on or before one (1) year from the date when LESSEE is granted a utility certificate by the Florida Public Service Commission (the "Certificate"), this Lease will terminate unless on or before such anniversary date LESSEE pays LESSOR a delay rental of One Dollar (\$1.00) per acre, which shall cover the privilege of deferring commencement of operations for 12 months. If the Certificate is not granted on or before five (5) years from the Effective Date, either LESSOR or LESSEE may terminate this Lease by delivering written notice thereof to the other.

2. Except as otherwise provided herein, all provisions of the Lease shall remain in full force and effect as amended hereby.

3. This Amendment may be executed in any number of identical counterparts each of which shall be deemed to be an original for all purposes but all of which shall constitute one and the same instrument, and a copy of such signature received through telefax transmission shall bind the party whose signature is so received as if such signature were an original. In making proof of this Amendment, it shall not be necessary to produce or account for more of such counterparts than are required to show that each party hereto executed at least one such counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Wastewater Lease Agreement on the date shown above.

LESSOR:

EVANS PROPERTIES, INC., a  
Florida corporation

By: Ronald L Edwards  
Ronald L. Edwards, President

LESSEE:

GROVE LAND UTILITIES, LLC, a Florida  
limited liability company

By: Ronald L Edwards  
Ronald L. Edwards, Manager

[CORPORATE SEAL]