

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings
against Country Club Utilities, Inc. in
Highlands County for violations of Rule 25-
30.120, FAC, Regulatory Assessment Fees;
Water and Wastewater Utilities.

DOCKET NO. 140031-WS
ORDER NO. PSC-14-0225-AS-WS
ISSUED: May 12, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER APPROVING SETTLEMENT AGREEMENT
AND
FINALIZING SHOW CAUSE ORDER

BY THE COMMISSION:

CASE BACKGROUND

Our staff opened Docket No. 140031-WS to initiate show cause proceedings against Country Club Utilities, Inc. (Country Club or Utility) for apparent violations of Florida Statutes and Commission rules and regulations in failing to remit payment of its annual Regulatory Assessment Fees (RAFs) for the years 2010, 2011 and 2012.

On March 17, 2014, we issued Order No. PSC-14-0131-SC-WS¹ (Show Cause Order), ordering Country Club to remit payment of its delinquent RAFs, in the amount of \$30,810.28, plus penalties and interest in the amount of \$16,026.63, by April 17, 2014 or show cause, in writing, why it was not obligated to remit payment for its delinquent RAFs, plus statutory penalties and interest, for the years 2010, 2011 and 2012. On April 10, 2014, Country Club filed its Response to Order to Show Cause and Petition for a Hearing.

¹ See Order No. PSC-14-0131-SC-WS, issued March 17, 2014, in Docket No. 140031-WS, In re: Initiation of show cause proceedings against Country Club Utilities, Inc. in Highlands County for violations of Rule 25-30.120, FAC, Regulatory Assessment Fees; Water and Wastewater Utilities.

2013 Regulatory Assessment Fees

On February 26, 2014, we received Country Club's 2013 RAF returns for water and wastewater, wherein Country Club reported a total gross revenue of \$147,666.39 for water and \$98,166.94 for wastewater. On April 3, 2014, Country Club filed its annual report for 2013, reporting a total gross revenue of \$144,079 for water and \$98,167 for wastewater. Based on its annual report filing, Country Club was required to remit a RAF payment in the amount of \$6,483.60 for water and \$4,417.51 for wastewater, by March 31, 2013. To date, Country Club has not remitted payment of its 2013 RAFs.

Accordingly, as of May 14, 2014, the amounts owed by Country Club for delinquent RAFs plus statutory penalty and interest, for the years 2010, 2011, 2012, and 2013, are as follows:

YEAR	REVENUES	RAFS (4.5%)	PAYMENTS	PENALTY 5 - 25% (THRU 05/14/14)	INTEREST 1% (THRU 05/14/14)	TOTAL DUE
2010	\$238,846.00	\$10,748.08	\$2,500.00	\$2,687.02	\$3,886.75	\$14,821.85
2011	\$250,425.00	\$11,269.13	\$0.00	\$2,817.28	\$2,929.97	\$17,016.38
2012	\$250,957.00	\$11,293.07	\$0.00	\$2,823.27	\$1,581.03	\$15,697.37
2013²	\$242,247.00	\$10,901.11	\$0.00	\$1,090.11	\$218.02	\$12,209.24
TOTALS	\$982,475.00	\$44,211.39	\$2,500.00	\$9,417.68	\$8,615.77	\$59,744.84

Settlement Discussions

On March 24, 2014, our staff participated in a telephone conference with Country Club's owner, Greg Harris, and Mr. Harris' accountant, Mr. Robert Reed, to discuss the terms of a possible settlement. Although a settlement was not reached on that date, the parties agreed to a second telephone conference, for the purposes of continuing settlement discussions. On April 2, 2014, our staff and Mr. Harris participated in a second telephone conference, where our staff and Mr. Harris tentatively agreed on terms for a proposed settlement of this docket. After the second telephone conference, our staff and Mr. Harris exchanged several drafts of the proposed Settlement Agreement. On May 2, 2014, Country Club filed a letter requesting we accept its proposed Settlement Agreement, which is attached hereto as Attachment 1.

² Although the Show Cause Order did not include the failure to remit 2013 RAFs, Country Club's proposed Settlement Agreement acknowledges the obligation to remit payment of its 2013 RAFs, plus penalty and interest, and includes a payment plan for satisfying the obligation. Additionally, we note that the 2013 RAFs, penalty and interest figures outlined in the table above are the most current calculations of the amount owed by Country Club for 2013. As such, the table contained in this Order supersedes the amounts outlined in the Table on page 1 of Exhibit A to the Settlement Agreement.

We have jurisdiction pursuant to Sections 120.57, 350.113, 367.121, 367.145, 367.161, F.S., and Rule 25-30.120, F.A.C.

DECISION

Acceptance of Settlement

On May 2, 2014, Country Club filed a letter with the attached proposed Settlement Agreement, in an effort to fully resolve its apparent violations of Rule 25-30.120, FAC, Regulatory Assessment Fees; Water and Wastewater Utilities and delinquent RAFs, penalties and interest. The goal of any show cause proceeding, is to ensure compliance with Florida law and the Commission's rules and orders. It appears as though the proposed Settlement Agreement accomplishes this goal and provides a remedy for past violations.

Significant provisions of the Settlement Agreement include:

- Country Club acknowledges its obligation, pursuant to Sections 367.145 and 350.113, F.S., and Rule 25-30.120, F.A.C., to remit payment of its Regulatory Assessment Fees, plus statutory penalties and interest, for the years 2010, 2011, 2012, and 2013.
- Country Club will make a one-time payment of \$19,517.27, by May 14, 2014, to satisfy the principal balance of the RAF amounts Country Club owes for 2010 and 2011.
- Beginning on September 15, 2014, Country Club will begin making monthly payments, by the fifteenth of each month, in the amount of \$1,000.00, in an effort to pay off the balance of its 2012 and 2013 RAFs, as well as penalties and interest for 2010, 2011, 2012, and 2013.
- Country Club will submit payment of its 2014 and future RAFs to the Commission, timely and in full.
- Country Club agrees to waive its right to an administrative formal hearing pursuant to Sections 120.569 and 120.57, F.S., and will withdraw its petition for formal hearing filed on April 10, 2014, in this docket, within ten (10) days of the approval of the Settlement Agreement.
- The Commission will conditionally waive its right to seek civil remedies against Country Club for failing to remit payment of RAFs, penalties and interest, provided that Country Club complies with all of the terms of this Settlement Agreement and any final Commission order approving the agreement.

- Country Club will notify the Commission prior to any sale, conveyance, or abandonment of the utility or the property it is located upon, and/or the initiation of any bankruptcy proceedings involving the utility or its property. In addition, Country Club will provide a copy of the Settlement Agreement and Commission order approving the agreement to any purchaser, operator, or person assuming control of Country Club and/or any court presiding over any abandonment or bankruptcy proceeding involving Country Club.
- The agreement does not prevent a Party from filing suit to specifically enforce any of the terms of the agreement; and the Commission reserves the right to initiate appropriate legal action to address any violations of Commission rules or statutes that are not specifically related to the agreement.
- Should Country Club fail to comply with any of the terms of the proposed Settlement Agreement, such failure would be considered a breach of the agreement and automatically accelerate the balance of any unpaid RAFs, penalties and interest, which would then become immediately due. In addition, the Commission will seek to enforce the terms of the Settlement Agreement and pursue all reasonable means necessary to collect the amounts owed, including, but not limited to, placing a lien on the real and personal property of Country Club.

We find that, taken in its entirety, the Settlement Agreement provides a reasonable resolution of the outstanding issues in Docket No. 140031-WS in accordance with Section 120.57(4), F.S. In addition, we find the Settlement Agreement to be in the public interest, as it provides for the utility's future compliance with Florida Statutes and Commission Rules. Moreover, the Settlement Agreement promotes administrative efficiency and avoids the time and expense of a hearing. Accordingly, we hereby approve and accept the Settlement Agreement proposed by Country Club, in full as attached hereto as Attachment 1.

Closure of Docket

We find that the Settlement Agreement resolves all matters in Docket No. 140031-WS in accordance with Section 120.57(4), F.S., and, as a result, our Show Cause Order No. PSC-14-0131-SC-WS, issued on March 17, 2014, shall become final. This docket shall remain open in order to process the settlement payments and to monitor ongoing compliance of the terms of the Settlement Agreement. Once the terms of the Settlement Agreement and all outstanding amounts owed by Country Club have been satisfied, the docket shall be administratively closed. Should Country Club fail to comply with any of the terms of the Settlement Agreement, the Commission will seek to enforce the Settlement Agreement and pursue all reasonable means necessary to collect the amounts owed by Country Club, pursuant to Sections 120.69 and 367.121(1)(g) and (j), F.S., including, but not limited to, initiating an action in civil court and/or procuring a lien on the real and personal property of Country Club.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Settlement Agreement, attached hereto as Attachment 1, is hereby approved, resolving all outstanding matters in this docket in accordance with Section 120.57(4), F.S. It is further,

ORDERED that Order No. PSC-14-0131-SC-WS, issued on March 17, 2014, shall become final and Country Club Utilities, Inc. shall withdraw its petition for formal hearing, within ten (10) days of the date of this Order. It is further,

ORDERED, that this docket shall remain open to process settlement payments received and to monitor compliance with the terms of this Settlement Agreement. Once all the terms of the Settlement Agreement and all outstanding amounts owed by Country Club Utilities, Inc. have been satisfied, the docket shall be administratively closed. It is further,

ORDERED, that, should Country Club Utilities, Inc. breach the terms of the Settlement Agreement, the Florida Public Service Commission shall seek to enforce the Settlement Agreement and pursue all reasonable means necessary to collect any amounts owed, including, but not limited to, initiating an action in circuit court and/or procuring a lien on the real and personal property of Country Club Utilities, Inc., pursuant to Sections 120.69 and 367.121(1)(g) and (j), F.S.

By ORDER of the Florida Public Service Commission this 12th day of May, 2014.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KFC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water and/or wastewater utility, by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

FILED MAY 02, 2014
DOCUMENT NO. 02031-14
FPSC - COMMISSION CLERK

Country Club Utilities, Inc.

May 2, 2014

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

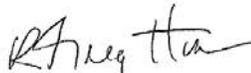
Re: Docket No. 140031-WS
Country Club Utilities Settlement Agreement

Dear Commissioners:

I respectfully ask that you consider approving the Settlement Agreement as prepared by staff and signed by me.

Staff has worked very closely with me to remedy this violation and I am grateful. I also appreciate your consideration previously and hope you will approve this current agreement.

Sincerely,



R. Greg Harris, President

3035 Wynstone Drive, Sebring, FL 33875
863-381-8201
rgregharris@gmail.com

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings
against Country Club Utilities, Inc. in
Highlands County for violations of Rule 25-
30.120, FAC, Regulatory Assessment Fees;
Water and Wastewater Utilities.

DOCKET NO. 140031-WS

SETTLEMENT AGREEMENT

Pursuant to Section 120.57(4), Florida Statutes (F.S.), Country Club Utilities, Inc. (Country Club) hereby files this Settlement Agreement to effect an informal disposition and binding resolution of any and all matters and issues that were, or might have been, addressed by the Florida Public Service Commission (Commission) in Docket No. 140031-WS. This Settlement Agreement avoids the time, expense and uncertainty associated with adversarial litigation. The terms of this Settlement Agreement are as follows:

1. Country Club acknowledges its obligation, pursuant to Sections 367.145 and 350.113, F.S., and Rule 25-30.120, Florida Administrative Code (F.A.C.), to remit payment of its Regulatory Assessment Fees, plus statutory penalties and interest, for the years 2010, 2011, 2012, and 2013, as shown in Exhibit A attached hereto.
2. In consideration of Country Club's complete and timely performance of all the obligations agreed to in this Settlement Agreement, the Commission conditionally waives its right to seek civil remedies against Country Club for failing to remit payment of RAFs, penalties and interest for the years 2010, 2011, 2012, and 2013, pursuant to Sections 367.145 and 350.113, F.S., and Rule 25-30.120, F.A.C. This waiver is conditioned upon Country Club's complete compliance with all of the terms of this Settlement Agreement and any final Commission order approving this agreement.

Docket No. 140031-WS

Country Club Settlement Agreement

3. In lieu of the Commission pursuing all reasonable means necessary to collect the amounts owed by Country Club, including, initiating action in circuit court, Country Club will perform the following:
 - a. Submit payment to the Commission in the amount of \$19,517.21, by **May 14, 2014**, satisfying the principal balance of Country Club's 2010 and 2011 Regulatory Assessment Fees (RAFs);
 - b. Submit a monthly payment of \$1,000.00 to the Commission, by the **15TH** of every month, beginning on **September 15, 2014**, and continuing until the balance of any outstanding RAFs, penalties and interest has been paid; and
 - c. Submit payment of its 2014 and future RAFs to the Commission, timely and in full.

4. The Commission shall apply all payments made by Country Club under this Settlement Agreement in the following manner:
 - a. To the principal balance of any unpaid year's RAFs, beginning with the oldest year to the most recent year, until the principal balance of any year's unpaid RAFs has been satisfied; and
 - b. To the penalty and interest balance assessed to each year of delinquent RAFs, beginning with the oldest year to the most recent year, until the penalty and interest balance of each year's delinquent RAFs has been satisfied.

5. Failure by Country Club (i) to submit its initial payment of \$19,517.21 payment by May 15, 2014, (ii) to timely submit two (2) consecutive \$1,000.00 installment payments outlined above, or (iii) to abide by any of the other terms contained herein, shall be considered a breach of this Settlement Agreement, automatically accelerating the balance of any unpaid RAFs, penalties and interest, which will then become immediately due.

6. Additional Payment Terms:
 - a. All payments shall be made payable to the "Florida Public Service Commission," include Docket No. 140031-WS on the memo line, and be sent to "Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, ATTENTION: Fiscal Services."

Docket No. 140031-WS

Country Club Settlement Agreement

and approved without modification, then the settlement proposal is rejected and the Settlement Agreement shall be considered null and void and of no further force or effect.

9. This Settlement Agreement will take effect the day after it is approved by the Commission. Country Club understands that the Commission's decision will be reflected in a final order.
10. Neither Party to this Settlement Agreement will request, support, or seek to impose a change in the application of any provision of this Settlement Agreement. Provided the Commission approves the Settlement Agreement, Country Club waives its right to request further administrative or judicial proceedings concerning any of the matters, which were, or might have been, addressed by the Commission in resolving Docket No. 140031-WS, except proceedings to enforce this Settlement Agreement. This waiver of the right to further administrative or judicial proceedings shall include, but not be limited to: a petition for a formal proceeding in the form provided by Rule 28-106.201 or 28-106.2015, F.A.C.; a motion for reconsideration of the decision in this matter in the form prescribed by Rule 25-22.060, F.A.C.; or a notice of appeal to initiate judicial review by the Florida First District Court of Appeal pursuant to Fla. R. App. P. 9.110, in the form specified in Fla. R. App. P. 9.900(a).
11. Nothing in this Settlement Agreement shall prevent the Parties from filing suit to specifically enforce any of the terms of this Settlement Agreement. The Commission reserves the right to initiate appropriate legal action to address any violations of rules or statutes administered by the Commission that are not specifically related to or resolved by this Settlement Agreement.

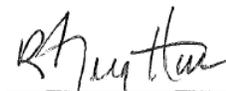
Docket No. 140031-WS

Country Club Settlement Agreement

12. In consideration for entering into this agreement, Country Club acknowledges, agrees, and waives its right to an administrative formal hearing pursuant to Sections 120.569 and 120.57, F.S., and shall withdraw its petition for formal hearing filed on April 10, 2014, in Docket 140031-WS, within ten (10) days of approval of this Settlement Agreement. Country Club further acknowledges, agrees, and waives its right to appeal the final order on this matter.
13. This Settlement Agreement resolves all matters in Docket No. 140031-WS in accordance with Section 120.57(4), F.S. Docket No. 140031-WS will continue to remain open until all the terms of this Settlement Agreement have been satisfied by Country Club.
14. This Settlement Agreement constitutes a single, integrated written contract expressing the entire agreement between the Parties and superseding all other agreements, representations, and understandings on the subject matter herein. There is no other agreement, oral or written, expressed or implied, between the Parties with respect to the subject-matter herein, except this Settlement Agreement.

Signed this 1st day of May, 2014.

BY:



R. Greg Harris, President
COUNTRY CLUB UTILITIES, INC.
3035 Wynstone Drive
Sebring, FL 33875
Telephone: (863) 385-6330
Email: rgregharris@gmail.com

Docket No. 140031-WS

Settlement Agreement – Exhibit A

TOTAL RAFs, PENALTY & INTEREST OUTSTANDING

YEAR	REVENUES	RAFs (4.5%)	PAYMENTS	PENALTY (5 - 25%) (THRU 05/14/14)	INTEREST (1%) (THRU 05/14/14)	TOTAL DUE
2010	\$238,846.00	\$10,748.08	\$2,500.00	\$2,687.02	\$3,886.75	\$14,821.85
2011	\$250,425.00	\$11,269.13	\$0.00	\$2,817.28	\$2,929.97	\$17,016.38
2012	\$250,957.00	\$11,293.07	\$0.00	\$2,823.27	\$1,581.03	\$15,697.37
2013	\$245,833.33	\$11,293.06	\$0.00	\$1,129.31	\$225.86	\$12,648.23
TOTALS		\$44,603.34	\$2,500	\$9,456.88	\$8,623.61	\$60,183.83

Docket No. 140031-WS

Settlement Agreement – Exhibit A

RAF BREAKDOWN BY SERVICE & YEAR

2010	REVENUES	RAFs (4.5%)	PENALTY (25%)	INTEREST (1%) (THRU 05/14/14)	TOTAL DUE
WATER	\$144,853.00	\$6,518.39	\$1,629.60	\$2,389.67	\$10,537.66
SEWER	\$93,993.00	\$4,229.69	\$1,057.42	\$1,497.08	\$6,784.19
PAYMENTS	----	\$2,500.00	\$0.00	\$0.00	\$2,500.00
TOTALS	\$238,846.00	\$8,248.08	\$2,687.02	\$1,581.03	\$14,821.85

2011	REVENUES	RAFs (4.5%)	PENALTY (25%)	INTEREST (1%) (THRU 05/14/14)	TOTAL DUE
WATER	\$149,425.00	\$6,724.13	\$1,681.03	\$1,748.27	\$10,153.43
SEWER	\$101,000.00	\$4,545.00	\$1,136.25	\$1,181.70	\$6,862.95
PAYMENTS	----	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$250,425.00	\$11,269.13	\$2,817.28	\$2,929.97	\$17,016.38

Docket No. 140031-WS

Settlement Agreement – Exhibit A

RAF BREAKDOWN BY SERVICE & YEAR

2012	REVENUES	RAFs (4.5%)	PENALTY (25%)	INTEREST (1%) (THRU 05/14/14)	TOTAL DUE
WATER	\$151,060.00	\$6,797.70	\$1,699.43	\$951.68	\$9,448.81
SEWER	\$99,897.00	\$4,495.37	\$1,123.84	\$629.35	\$6,248.56
PAYMENTS	----	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$250,957.00	\$11,293.07	\$2,823.27	\$1,581.03	\$15,697.37

2013	REVENUES	RAFs (4.5%)	PENALTY (10%) (THRU 05/14/14)	INTEREST (1%) (THRU 05/14/14)	TOTAL DUE
WATER	\$144,080.00	\$6,483.60	\$648.36	\$129.67	\$7,261.63
SEWER	\$98,167.00	\$4,417.51	\$441.75	\$88.35	\$4,947.61
PAYMENTS	----	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$242,247.00	\$10,901.11	\$1,090.11	\$218.02	\$12,209.24