

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 120172-WS

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN HIGHLANDS COUNTY
BY COUNTRY CLUB UTILITIES,
INC.

_____ /

DOCKET NO. 140208-WS

NOTICE OF ABANDONMENT OF WATER
AND WASTEWATER SYSTEMS IN
HIGHLANDS COUNTY BY COUNTRY
CLUB UTILITIES, INC.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 4

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER JULIE I. BROWN
COMMISSIONER JIMMY PATRONIS

DATE: Tuesday, February 3, 2015

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, CRR, RPR
Official FPSC Reporter
(850) 413-6734

P R O C E E D I N G S

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2 **CHAIRMAN GRAHAM:** We'll come back to Item
3 Number 2, we'll come back to Item Number 3.

4 Item Number 4.

5 **MS. MAPP:** Good morning, Commissioners.
6 Kyesha Mapp for Commission staff.

7 Item 4 involves two dockets with Country
8 Club Utilities, Inc.: Docket Number 120172-WS, an
9 application for a staff-assisted rate case; and
10 Docket Number 140208, notice of abandonment.

11 On October 22nd, 2014, Country Club
12 Utilities filed a notice of intent to abandon the
13 utility in 65 days. At the time of the notice,
14 Country Club also had a pending staff-assisted rate
15 case with this Commission.

16 Following this, on December 17th, 2014,
17 the Tenth Judicial Circuit Court appointed the City
18 of Sebring receiver for the utility. As a result,
19 the utility is exempt from Commission jurisdiction
20 pursuant to Section 367.022(2), *Florida Statutes*.

21 Staff recommends that the Commission
22 acknowledge the abandonment of the utility, the
23 receivership of the City of Sebring, and cancel
24 Country Club's certificates numbers 540-W and 468-S.

25 The staff would also recommend that if the

1 Commission acknowledges the abandonment of the
2 utility, that the pending staff-assisted rate case
3 for Country Club be dismissed. Staff is available
4 for questions at this time.

5 **CHAIRMAN GRAHAM:** Any questions of staff?
6 Commissioner Brown.

7 **COMMISSIONER BROWN:** Thank you. I remember
8 this particular utility because they were such a repeat
9 offender, having not paid RAFs over four and a half
10 years. So I looked at this and I looked at the
11 purchase agreement, and, Ms. Corbari, can you explain
12 how we did not make it as a creditor in the
13 receivership proceeding? Particularly I believe that
14 this purchase agreement has a warranty and
15 representation that there's no pending cases, actions,
16 et cetera, and at the time we did have a show cause
17 action. Could you explain how we didn't make it as a
18 creditor?

19 **MS. CORBARI:** Good morning, Commissioners.
20 The -- from my understanding, the City of Sebring
21 approved the purchase and sale agreement at its City
22 Council meeting the day prior to the receivership
23 hearing. We were not contacted by any of the parties
24 prior to this purchase agreement; therefore, we were
25 unaware of it until it was attached to the Court's

1 order appointing the receiver.

2 **COMMISSIONER BROWN:** Shouldn't the owner have
3 disclosed the pending and final order, show cause
4 order?

5 **MS. CORBARI:** Yes, Commissioner. Per our
6 final show cause order with the settlement agreement
7 attached in the show cause docket one of the
8 requirements was that the utility, prior to any sale or
9 abandonment, notify the potential purchaser and court.

10 **COMMISSIONER BROWN:** So I remember back when
11 we were doing the show cause action, the total amount
12 was somewhere around 53,000. We agreed on a payment
13 plan. We did not assess additional penalties per day,
14 although we could have at the time, just to facilitate
15 working with the owner. So the final amount is
16 actually 53, 54,000 that we will be staking a claim?

17 **MS. CORBARI:** As of January 20th, the
18 regulatory assessment fees will be approximate, with
19 penalties and interest, will be approximately
20 \$52,645.05.

21 **COMMISSIONER BROWN:** Okay.

22 **MS. CORBARI:** He did make several payments
23 that -- this 52,000 includes his -- the utility's 2014
24 regulatory assessment fees, which are due on March 31st
25 of this year.

1 **COMMISSIONER BROWN:** And our hearing on the
2 receivership proceeding is not until March; is that
3 correct?

4 **MS. CORBARI:** The Commission has filed a
5 motion to intervene in the receivership proceeding,
6 along with a petition to enforce agency action. Our
7 hearing -- a hearing on the motion to intervene is set
8 for March 23rd.

9 **COMMISSIONER BROWN:** Is that our only
10 recourse to collect the 53,000 remaining dollars, or is
11 there anything else that we can do to stake our claim
12 to that judgment amount?

13 **MS. CORBARI:** At this point is to -- what --
14 yes, that's what we need to do is get a judgment from
15 the Court to, to be able to finalize this amount.

16 **COMMISSIONER BROWN:** To enforce it. Now,
17 would the City of Sebring then be liable for that
18 amount?

19 **MS. CORBARI:** No. The City of Sebring is
20 not, as a governmental authority and receiver, is not
21 liable, is not responsible for the regulatory
22 assessment fees. However, the intent is to get our --

23 **COMMISSIONER BROWN:** Because it wasn't part
24 of the purchase agreement, the amount.

25 **MS. CORBARI:** Yes.

1 **COMMISSIONER BROWN:** If it was a part of the
2 original purchase agreement though, the City of Sebring
3 would be responsible.

4 **MS. CORBARI:** Yes.

5 **COMMISSIONER BROWN:** Okay. If there are no
6 other questions, I would move staff.

7 **CHAIRMAN GRAHAM:** It's been moved and
8 seconded, staff recommendation on Item Number 4. Any
9 further discussion? Seeing none, all in favor, say
10 aye.

11 (Vote taken.)

12 Any opposed? By your action, you've
13 approved the staff recommendation on Item Number 4.

14 (Agenda item concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON) : CERTIFICATE OF REPORTER

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4 I, LINDA BOLES, CRR, RPR, Official Commission
5 Reporter, do hereby certify that the foregoing
6 proceeding was heard at the time and place herein
7 stated.

8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED THIS 9th day of February, 2015.

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FPSC Official Hearings Reporter
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