

North Charlotte Waterworks, Inc.

June 7, 2016

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RECEIVED-FPSC
2016 JUN 10 AM 8:32
COMMISSION
CLERK

*Re: **Docket No. 160058-WS** - North Charlotte Waterworks, Inc, application for approval of transfer of Sun River Utilities, Inc. in Charlotte and DeSoto Counties, Florida – Response to Staff's Deficiency Letter*

Dear Commission Clerk,

North Charlotte Waterworks, Inc. (North Charlotte) submits its response to Staff's deficiency letter dated June 1, 2016.

Deficiencies

1. **Assets and Liabilities.** Please find attached the requested schedule of assets and accumulated depreciation. This schedule was compiled utilizing the 2014 Annual Report updated through December 31, 2015. The adjustments are contained in the attached support schedule and utilized the documents contained in Document No. 01547-16 filed in Docket No. 160058-WS. The schedule lists the additional plant items not capitalized by the previous owner by invoice, date, and plant account for staff's consideration.
2. **Land Lease.** Subsequent to the letter dated April 12, 2016, a conference call was held with the land owners on May 2, 2016. The importance of the required long-term lease was discussed. The landowners indicated that they would review a potential long-term lease and get back with the utility. To date, no further conversations or correspondences have been made by the land owners.

A review of Docket No. 080272-WS, show that Document No. 06738-08 from Sun River Utilities indicated that an executed assignment and assumption of the previous land lease from MSM to Sun River would be provide within two weeks of the date of the letter, which was July 28, 2008. However, a further review of Docket No. 080272-WS reveals that no such executed document was filed in the Commission's docket file.

The subsequent Commission Order No. PSC-09-0609-FOF-WS, issued September 8, 2009 is silent on the land lease requirement. It is unclear from a review of the Commission's document in the previous docket whether any such assignment of lease was executed and filed prior to the certificate being approved.

COM _____
AFD _____
APA _____
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ENG Use Bd maps
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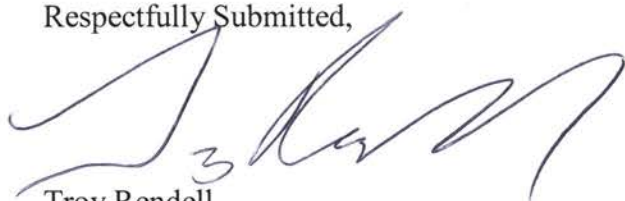
June 7, 2016

North Charlotte does not have an idea of when the land lease issue will be resolved. The Utility will continue to pursue with the land owners. As previously stated, North Charlotte is requesting the Public Service Commission's assistance in this matter. Since this utility was previously subject to an abandonment docket and North Charlotte worked with Charlotte County on the subsequent purchase, North Charlotte believes it is in the customers' and public interest to work with the Commission to resolve this issue. Pursuant to Order No. PSC-99-0756-FOF-WS, the existing water and wastewater plants have been in existence and providing service since 1982. At that time, there was a 99-year lease provided. North Charlotte is at the mercy of the land owners at this time and is working to secure a long term solution so that the existing customers' interest are protected and the utility can continue to provide water and wastewater service.

Other Information

1. **Department of Environmental Protection Radium Violation.** See attached the requested documentation.
2. **System Maps.** Find attached the system maps received from Sun River Utilities, Inc. These are the only maps received during the acquisition. The documents are also included on the attached USB drive.

Respectfully Submitted,



Troy Rendell

Manager of Regulated Utilities

//For North Charlotte Waterworks, Inc.

North Charlotte Waterworks, Inc.

Test Year Ended 12/31/15

WATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	Test Year		Adjusted Balance	Depr Rates Per Rule	Test Year		Adjusted Balance
		Plant Per Books	Adjustments			Acc Depr	Adjustments	
301	Organization	0	0	0	2.50%	0	0	0
302	Franchises	0	0	0	2.50%	0	0	0
303	Land and Land Rights	0	0	0	NA	0	0	0
304	Structures and Improvements	135,520	0	135,520	3.70%	135,520	0	135,520
305	Collecting and Impounding	0	0	0	2.00%	0	0	0
306	Lake River and Other Intakes	0	0	0	2.50%	0	0	0
307	Wells and Springs	13,070	0	13,070	3.70%	13,070	0	13,070
308	Infiltration Galleries	0	0	0	2.50%	0	0	0
309	Supply Mains	10,025	225	10,250	3.13%	10,025	18	10,043
310	Power Generation Equipment	0	0	0	5.00%	0	0	0
311	Pumping Equipment	4,000	0	4,000	6.67%	4,000	0	4,000
320	Water Treatment Equipment	137,841	7,457	145,298	5.88%	137,841	1,215	139,056
330	Distribution Reservoirs	23,500	3,638	27,138	3.03%	23,500	315	23,815
331	Transmission and Distribution Mains	35,107	7,888	42,995	2.63%	30,946	359	31,305
333	Services	11,425	1,020	12,445	2.86%	10,930	41	10,971
334	Meter & Meter Installations	7,054	3,559	10,613	5.88%	7,054	339	7,393
335	Hydrants	2,800	0	2,800	2.50%	2,345	0	2,345
339	Other Plant & Miscellaneous Equipment	1,020	8,797	9,817	5.00%	1,020	1,661	2,681
340	Office Furniture & Equipment	0	0	0	5.00%	0	0	0
340	Computer Equipment	0	0	0	6.67%	0	0	0
341	Transportation Equipment	0	0	0	16.67%	0	0	0
342	Stores Equipment	0	0	0	5.56%	0	0	0
343	Tools, Shop & Garage	268	0	268	6.67%	186	0	186
344	Laboratory Equipment	0	0	0	6.67%	0	0	0
345	Power Operated Equipment	0	0	0	8.33%	0	0	0
346	Communication Equipment	0	0	0	10.00%	0	0	0
347	Miscellaneous Equipment	0	0	0	6.67%	0	0	0
348	Other Plant & Miscellaneous Equipment	0	0	0	10.00%	0	0	0
	INTANGIBLE PLANT	\$0	\$0	\$0		\$0	\$0	\$0
	SOURCE OF SUPPLY & PUMPING	162,615	225	162,840		162,615	18	162,633
	WATER TREATMENT PLANT	137,841	7,457	145,298		137,841	1,215	139,056
	TRANSMISSION & DISTRIBUTION	80,906	24,902	105,808		75,795	2,716	78,511
	GENERAL PLANT	268	0	268		186	0	186
	TOTALS - WATER	\$381,630	\$32,584	\$414,214		\$376,437	\$3,949	\$380,386

North Charlotte Waterworks, Inc.
Test Year Ended 12/31/15

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	Test Year		Adjusted Balance	Depr Rates Per Rule	Test Year		Adjusted Balance
		Plant Per Books	Adjustments			Acc Depr	Adjustments	
351	Organization	0	0	0	2.50%	0	0	0
352	Franchises	0	0	0	3.70%	0	0	0
353	Land and Land Rights	0	0	0	NA	0	0	0
354	Structures and Improvements	0	0	0	3.70%	0	0	0
360	Collection Sewers - Force	0	0	0	3.70%	0	0	0
361	Collection Sewers - Gravity	62,241	0	62,241	2.50%	52,126	0	52,126
362	Special Collecting Structures	16,915	0	16,915	2.50%	16,915	0	16,915
363	Services to Customers	17,010	0	17,010	2.90%	16,285	0	16,285
364	Flow Measuring Devices	0	0	0	20.00%	0	0	0
365	Flow Measuring Installation	0	0	0	2.86%	0	0	0
366	Reuse Services	0	0	0	2.50%	0	0	0
367	Reuse Meters and Meter Installations	0	0	0	5.00%	0	0	0
370	Receiving Wells	25,000	710	25,710	2.50%	12,000	29	12,029
371	Pumping Equipment	0	0	0	6.67%	0	0	0
374	Reuse Distribution Reserviors	0	0	0	2.70%	0	0	0
375	Reuse Transmission and Distribution System	0	0	0	2.33%	0	0	0
380	Treatment and Disposal Equipment	67,200	3,814	71,014	6.70%	67,200	445	67,645
381	Plant Sewers	0	0	0	3.13%	0	0	0
382	Outfall Sewer Lines	0	0	0	3.33%	0	0	0
389	Other Plant & Miscellaneous Equipment	0	0	0	6.67%	0	0	0
390	Office Furniture & Equipment	37,564	0	37,564	10.00%	37,564	0	37,564
390	Computer Equipment	0	0	0	16.67%	0	0	0
391	Transportation Equipment	0	0	0	16.67%	0	0	0
392	Stores Equipment	0	0	0	5.56%	0	0	0
393	Tools, Shop & Garage	0	0	0	6.25%	0	0	0
394	Laboratory Equipment	0	0	0	6.67%	0	0	0
395	Power Operated Equipment	0	0	0	8.33%	0	0	0
396	Communication Equipment	0	0	0	10.00%	0	0	0
397	Miscellaneous Equipment	0	0	0	6.67%	0	0	0
398	Other Plant & Miscellaneous Equipment	0	0	0	10.00%	4,043	0	4,043
	INTANGIBLE PLANT	\$0	\$0	\$0		\$0	\$0	\$0
	COLLECTION PLANT	96,166	0	96,166		85,326	0	85,326
	SYSTEM PUMPING PLANT	25,000	710	25,710		12,000	29	12,029
	TREATMENT & DISPOSAL PLANT	67,200	3,814	71,014		67,200	445	67,645
	GENERAL PLANT	37,564	0	37,564		41,607	0	41,607
	TOTALS-WASTEWATER	\$225,930	\$4,524	\$230,454		\$206,133	\$473	\$206,607

Additional Invoices
WATER

<u>Invoice</u>	<u>Account</u>	<u>Date</u>	<u>Amount</u>	<u>Depr Rate</u>	<u>Accum Deprec</u>	<u>install date</u>	<u>No. Months</u>
6435	309	12/2/2013	\$ 225.11	3.13%	\$ 17.61	41610	30
6130	311	7/2/2012	\$ 823.90	6.67%	\$ 215.24	41092	47
6184	311	5/2/2013	\$ 494.03	6.67%	\$ 101.60	41396	37
6529	311	5/8/2014	\$ 607.91	6.67%	\$ 84.47	41767	25
			\$ 1,925.84		\$ 401.31		
100321	320	3/26/2010	\$ 544.62	5.88%	\$ 200.23	40263	75
100609	320	6/24/2010	\$ 583.15	5.88%	\$ 205.82	40353	72
6249	320	2/4/2013	\$ 522.00	5.88%	\$ 102.35	41309	40
6344	320	7/1/2013	\$ 255.95	5.88%	\$ 43.91	41456	35
6383	320	9/6/2013	\$ 660.00	5.88%	\$ 106.76	41523	33
6417	320	11/1/2013	\$ 861.23	5.88%	\$ 130.87	41579	31
6476	320	2/5/2014	\$ 368.00	5.88%	\$ 50.51	41675	28
140603	320	6/6/2014	\$ 2,964.19	5.88%	\$ 348.73	41796	24
6676	320	4/6/2015	\$ 119.95	5.88%	\$ 8.23	42100	14
6846	320	10/1/2015	\$ 75.00	5.88%	\$ 2.94	42278	8
6876	320	12/3/2015	\$ 502.76	5.88%	\$ 14.79	42341	6
			\$ 7,456.85		\$ 1,215.15		
6270	330	3/4/2013	\$ 2,737.74	3.03%	\$ 269.60	41337	39
6622	330	10/7/2014	\$ 900.00	3.03%	\$ 45.45	41919	20
			\$ 3,637.74		\$ 315.05		
6344	331	7/1/2013	\$ 1,075.00	2.63%	\$ 82.46	41456	35
6510	331	4/1/2014	\$ 935.50	2.63%	\$ 53.31	41730	26
6603	331	9/3/2014	\$ 3,053.66	2.63%	\$ 140.54	41885	21
6636	331	11/4/2014	\$ 450.00	2.63%	\$ 18.74	41947	19
6715	331	3/2/2015	\$ 300.00	2.63%	\$ 9.86	42065	15
6781	331	6/10/2015	\$ 2,074.00	2.63%	\$ 54.55	42165	12
			\$ 7,888.16		\$ 359.46		
6205	333	12/3/2012	\$ 225.00	2.86%	\$ 22.52	41246	42
6776	333	6/2/2015	\$ 245.00	2.86%	\$ 7.01	42157	12
6777	333	6/2/2015	\$ 150.00	2.86%	\$ 4.29	42157	12
6846	333	10/1/2015	\$ 400.29	2.86%	\$ 7.63	42278	8
			\$ 1,020.29		\$ 41.45		
6185	334	5/2/2013	\$ 964.22	5.88%	\$ 174.81	41396	37
6755	334	5/4/2015	\$ 2,378.29	5.88%	\$ 151.50	42128	13
6775	334	6/2/2015	\$ 216.32	5.88%	\$ 12.72	42157	12
			\$ 3,558.83		\$ 339.03		
SRAO-1 - Inv#1	339	12/21/2011	\$ 600.00	5.00%	\$ 135.00	40898	54
SRAO-1 - Inv#4	339	4/27/2012	\$ 2,000.00	5.00%	\$ 416.67	41026	50
SROA-1 - Inv#6	339	9/27/2012	\$ 900.00	5.00%	\$ 168.75	41179	45
SROA-1 - Inv#5	339	8/2/2012	\$ 2,000.00	5.00%	\$ 383.33	41123	46
3456	339	1/16/2013	\$ 2,800.00	5.00%	\$ 478.33	41290	41
6288	339	4/3/2013	\$ 497.18	5.00%	\$ 78.72	41367	38
			\$ 8,797.18		\$ 1,660.80		

WASTEWATER

<u>Invoice</u>	<u>Account</u>	<u>Date</u>	<u>Amount</u>	<u>Depr Rate</u>	<u>Accum Deprec</u>		
6435	370	12/2/2013	\$ 150.00	2.50%	\$ 9.38	41610	30
6636	370	11/4/2014	\$ 110.00	2.50%	\$ 4.35	41947	19
6694	370	2/2/2015	\$ 450.00	2.50%	\$ 15.00	42037	16
			\$ 710.00		\$ 28.73		
6226	380	1/9/2013	\$ 260.00	6.70%	\$ 59.52	41283	41
6327	380	6/7/2013	\$ 102.50	6.70%	\$ 20.60	41432	36
6476	380	2/5/2014	\$ 300.00	6.70%	\$ 46.90	41675	28
6547	380	6/4/2014	\$ 425.60	6.70%	\$ 57.03	41794	24
6568	380	7/3/2014	\$ 192.60	6.70%	\$ 24.73	41823	23
WEB000448	380	6/9/2014	\$ 110.00	6.70%	\$ 14.74	41799	24
6591	380	8/5/2014	\$ 397.26	6.70%	\$ 48.80	41856	22
6602	380	9/3/2014	\$ 174.90	6.70%	\$ 20.51	41885	21
6676	380	1/6/2015	\$ 676.67	6.70%	\$ 64.23	42010	17
6732	380	4/7/2015	\$ 806.00	6.70%	\$ 63.00	42101	14
6775	380	6/2/2015	\$ 368.00	6.70%	\$ 24.66	42157	12
			\$ 3,813.53		\$ 444.71		



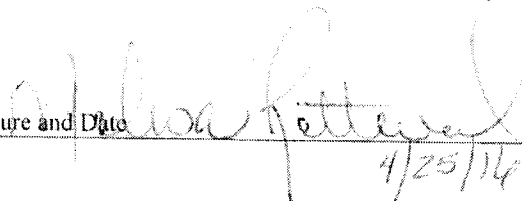
PWS CERTIFICATION OF DELIVERY OF PUBLIC NOTICE

INSTRUCTIONS: The supplier of water, within ten days of completion of each public notification requirement pursuant to Part IV of Chapter 62-560, Florida Administrative Code, shall submit to the appropriate Department of Environmental Protection District Office or Approved County Health Department a completed DEP Form 62-555.900(22). Certification of Delivery of Public Notice, and include with the form a representative copy of each type of notice distributed, published, posted, and made available to the persons served by the system, and the media. All information provided on this form shall be typed or printed in ink.

Public Water System (PWS) Name: Sun River Utilities		
PWS ID 608-4074		
PWS Type: <input checked="" type="checkbox"/> Community <input type="checkbox"/> Non-Transient Non-Community <input type="checkbox"/> Transient Non-Community		
PWS Owner: North Charlotte Waterworks Inc		
Contact Person: Melisa Rotteveel	Contact Person's Title: Compliance Manager	
Contact Person's Mailing Address: 4939 Cross Bayou Blvd		
City: New Port Richey	State: FL	Zip Code: 34652
Contact Person's Telephone Number: (866) 753-8292	Contact Person's Fax Number: (727) 849-4219	
Contact Person's E-Mail Address: mrotteveel@uswatercorp.net		

For Violation/Situation: Radium 226/228 MCL violation						
Date of Occurrence: March 16, 2016						
Consultation Date: April 4, 2016						
Delivery Methods:	<input type="checkbox"/> Radio/TV	<input checked="" type="checkbox"/> Mail	<input type="checkbox"/> Newspaper	<input type="checkbox"/> Hand Delivery	<input checked="" type="checkbox"/> Posting	<input type="checkbox"/> Other(describe)
Delivery Date/s:		4/22/2016			4/22/2016	

I am duly authorized to sign this form on behalf of the public water system identified in Part I of this form. I certify that the information provided on this form is correct to the best of my knowledge and that public notice has been provided to consumers in accordance with the delivery, content, and format requirements and deadlines in Chapter 62-560, Florida Administrative Code.

 Signature and Date	Melisa Rotteveel Printed or Typed Name	Compliance Manager Title
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Important Information About Your Drinking Water

Sun River Utilities, Inc. Water System Has a level of Radium 226 and Radium 228 which violates Standards

SITUATION

The laboratory analyses results for the three most recent sets of consecutive quarterly samples for the Radiological contaminants of combined Radium 226, and Radium 228 collected on March 16, 2016, and December 28, and September 2, 2015, from the Sun River Utilities, Inc., public drinking water system, currently indicates a running annual average concentration of 9.23 picoCuries per liter (pCi/L). Therefore, the Department has determined that this water system has generated a Maximum Contaminant Level (MCL) violation for combined Radium 226 and Radium 228, since Rule 62-550.310(6), Florida Administrative Code (F.A.C.), identifies the MCL for combined Radium 226 and Radium 228 as 5 pCi.L.

WHAT SHOULD CUSTOMERS DO?

You do not need to use an alternative (e.g., bottled) water supply. However, if you have specific health concerns, consult your doctor.

WHAT DOES THIS MEAN?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing radium 226 or 228 in excess of the MCL may have an increased risk of getting cancer.

WHAT IS BEING DONE?

By no later than April 19, 2016, the Sun River Utilities, Inc. water system is required to submit to the Department a written plan of corrective action which addresses how the combined Radium 226 and Radium 228 MCL violation will be corrected. The plan must include specific activities as well as completion dates for each activity which is identified.

ADDITIONAL INFORMATION:

For more information please contact Ron Derossett at [904-540-9765](tel:904-540-9765), or you may contact Patty Baron of the Department of Environmental Protection at Patty.Baron@dep.state.fl.us, or call (239) 344-5615.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly. You can do this by posting this notice in a public place or distributing copies by hand or mail.

U.S. Water[®]

Services Corporation

Water and Wastewater Utility Operations, Maintenance, Engineering, Management, Construction

April 22, 2016

Florida Department of Environmental Protection
South District
PO Box 2549
Fort Myers, FL 33902-2549

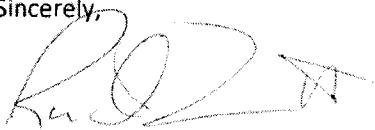
Reference: Sun River Utilities
PWS# 608-4074
Radium 26/228

Dear Ms. Patty Baron,

US Water Services reviewed the Radium 226/228 results and consulted with an engineer at US Water Serves Crop, Mr. Mo Kader. His recommendation is to change/replace the RO membranes with more efficient ones that can remove the Radium and Gross Alpha Practical Activity. US Water has replaced the RO membranes in mid-March, since the last sample was March 16, 2016; we are planning on sampling again in June 2016. Once we receive the sample results, US Water will review the results and decide the next step of action (if required).

If you have any questions or concerns, please contact me at 904-540-9765 or by email at;
rderosette@uswatercorp.net.

Sincerely,



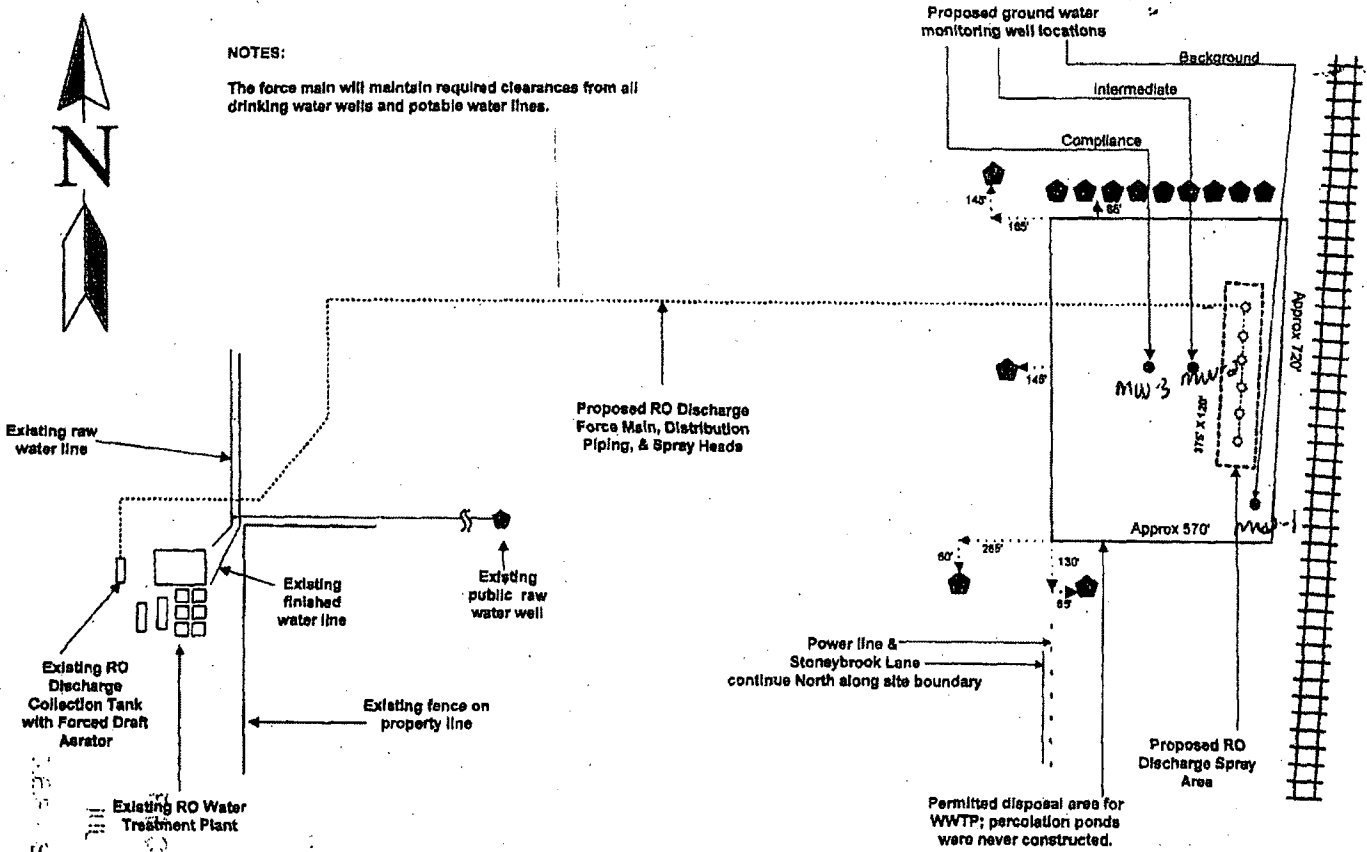
Ron DeRossett
Utility Manager
US Water Service Corp

4939 Cross Bayou Boulevard * New Port Richey * Florida * 34652
Tel: 727-848-8292 Fax: 727-848-7701 Toll Free: 866-753-8292



NOTES:

The force main will maintain required clearances from all drinking water wells and potable water lines.



[Signature]
PE No. 49307 7/5/01

SOUTH DISTRICT
 JUL 03 2001
 RECORDED

SEVERN TRENT SERVICES	Severn Trent-Avatar Utility Services 4837 Swift Road Sarasota, FL 34231 (941) 925-3088	River's Edge RO Plant Site & Off-Site Spray Field	June 2001 (Not to Scale)
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