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Public Service Commission

July 16, 2019

Mr. Scott Middlebrooks
St. Johns River Estates Utilities, LLC
2581 Pope Master Road
Milton, FL 32570
scottmiddlebrooks@yahoo.com

VIA EMAIL & US MAIL

Re: Docket No. 20180214-WS - Application to transfer facilities and Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club Utility Company, LLC to St. Johns River Estates Utilities, LLC.

Dear Mr. Middlebrooks:

Staff reviewed St. Johns River Estates Utilities, LLC's (St. Johns, Buyer or Utility) June 14, 2019, response to staff's January 4, 2019, deficiency letter. After reviewing this information we find the application is still deficient. The specific deficiencies are identified as:

1. **Financial Ability—Financial Statement.** Rule 25-30.037(2)(l)1., Florida Administrative Code (F.A.C.), states that the applicant shall provide a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided. In response to staff's first deficiency letter, the Utility provided the Seller's 2017 Annual Report. Please provide the current financial statement for the Buyer.

Financial Ability—Additional Funding. Rule 25-30.037(2)(l)2., F.A.C., states that the applicant shall provide a list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements. Please provide a response to the information requested in this rule.

2. **Service Area.** Rule 25-30.037(2)(n), F.A.C., requires a legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C. Please provide a legal description of both the water and wastewater service areas.
3. **Right to Land.** Rule 25-30.037(2)(s), F.A.C., requires documentation of the utility's right to access and continued use of the land upon which the utility treatment facilities are located.

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Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided that the applicant files a recorded copy within the time required in the order granting the transfer. One of the documents provided in the Utility's June 14, 2019, deficiency response references a special warranty deed, but none was provided in the response. Please provide the required documentation.

4. **Notice of Application.** Rule 25-30.030(4), F.A.C., requires that the notice of application be provided to the Office of Commission Clerk, for Commission staff approval, prior to distribution. The document provided in the response was a copy of another utility's notice of transfer to be used as an example. Please craft a draft notice specifically for St. Johns and provide the draft notice for staff review.
5. **Notice of Application.** Rule 25-30.030(6), F.A.C., states that all applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(f), Florida Statutes, along with a copy of the notice, are filed with the Office of Commission Clerk. After staff has reviewed and approved the notice of application, and the notices have been distributed in accordance with Rule 25-30.030(5), F.A.C., please provide affidavits of noticing.

Your application will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than **August 16, 2019**, to the following address:

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Should you have any questions concerning the information in this letter, please feel free to contact Mrs. Melinda Watts by phone at (850) 413-6952 or by email at mwatts@psc.state.fl.us for technical questions, or Ms. Kristen Simmons by phone at (850) 413-6175 or by email at ksimmons@psc.state.fl.us for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,



Melinda Watts
Engineering Specialist

MW:jp

cc: Office of Commission Clerk (Docket No. 20180214-WS)