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DIVISION OF ENGINEERING
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Public Service Commission

June 24, 2021

Ms. Susan Clark, Esq.
Radey Thomas Yon & Clark, P.A.
301 South Bronough Street, Suite 200
Tallahassee, FL 32301
sclark@radeylaw.com

VIA EMAIL

Re: Docket No. 20210095-WS - Application for transfer of water facilities of Sunshine Utilities of Central Florida, Inc. and Water Certificate No. 363-W to CSWR-Florida Utility Operating Company, LLC, in Marion County.

Dear Ms. Clark:

Staff has reviewed CSWR-Florida Utility Operating Company, LLC's (CSWR-FL, Buyer, or applicant) application for transfer of Certificate Nos. 363-W from Sunshine Utilities of Central Florida, Inc. (Seller) to CSWR-FL filed on May 5, 2021. After reviewing this information we find the application to be deficient. The specific deficiencies are identified as:

- 1. Notice of Application.** Rule 25-30.030(6), Florida Administrative Code, (F.A.C.), incorporated by reference in Rule 25-30.037(2)(b), 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.
- 2. Buyer Information.** Rule 25-30.037(2)(d), F.A.C., requires that the applicant provide specified information relating to the buyer, including the utility's Federal Employer Identification Number (FEIN). The application states that the applicant's FEIN is "to be provided." Please provide the applicant's FEIN as required by Rule 25-30.037(2)(d), F.A.C.
- 3. Business Documentation.** Rule 25-30.037(2)(f)1., F.A.C., states the buyer must provide documentation from the Florida Department of State, Division of Corporations, showing the buyer's name and registration/document number for the business. Please provide the required documentation.

4. **Percent Ownership.** Rule 25-30.037(2)(g), F.A.C., requires that the applicant provide name(s), address(es) and percentage of ownership of each entity or person that owns or will own more than a 5 percent interest in the utility. Please provide the address for the entity named in the application that is the sole owner of the Buyer.
5. **Assets and Liabilities.** Rule 25-30.037(2)(j)(3), F.A.C., requires a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities. Please provide a list of the specific assets and, if applicable, liabilities including the dollar amount allocated to each.
6. **Legal Description.** Rule 25-30.037(2)(n), F.A.C., requires that the applicant provide a legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C. Please provide a complete and accurate description of the service area to be transferred with a reference to every township(s), range(s), and land section(s) included within the service area.
7. **Condition of System.** Rule 25-30.037(2)(q), F.A.C., requires that the applicant provide a description of the repairs or improvements that have been identified, the governmental authority that required the repairs or improvements, if applicable. The applicant did not provide the governmental authority that required the repairs or improvements. Please provide the governmental authority, or state that the requested information is unavailable, if applicable.
8. **Permits** Rule 25-30.037(2)(r)1, F.A.C., requires that the applicant provide a copy of the utility's current permits from the Florida Department of Environmental Protection (DEP) and the water management district (WMD). Please obtain the required documents regarding current permits from the DEP, WMD, or the Seller, as relating to permits, and provide the required documents and information.
9. **Survey/Report.** Rule 25-30.037(2)(r)2, F.A.C., requires that the applicant provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report. Please provide the most recent sanitary survey and secondary standards drinking water report for systems: Oak Haven Quadruplexes and Sunlight Acres Subdivision.
10. **Correspondence.** Rule 25-30.037(2)(r)3, F.A.C., requires that the applicant provide a copy of all of the utility's correspondence with the DEP, county health department, and the WMD, including consent orders and warning letters, and the utility's responses to the same, for the past five years. The internet link to the utility's DEP documents provided by the utility in its application did not include correspondence regarding DEP consent orders or warning letters. Please confirm with the DEP whether the system(s) had any consent orders or warning letters, and the utility's responses to the same, for the past five years. Please provide the responsive documents if there were any, or a statement affirming there were none if that is the case.

11. **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. 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. In Exhibit H to the application, the Buyer makes the following statement:

Between the date of this application and closing, CSWR-Florida will conduct additional due diligence, which includes engaging a Florida title company to review relevant records related to real property assets Sunshine Utilities proposes to transfer to confirm the rightful owner(s) and identify any title defects that will be cured prior to closing. Although documents required by Section 4.01(b) do not currently exist, they can be provided post-closing if necessary to establish CSWR-Florida's ownership or long-term use rights.

Please be advised that this item will remain deficient until the required documentation has been provided.

12. **RAFs.** Rule 25-30.037(2)(t), F.A.C., requires that the applicant provide a statement regarding which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years. Please provide the requested information on which entity will be responsible for this matter.

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 **July 14, 2021**, to the following address:

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

Ms. Susan Clark

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Should you have any questions concerning the information in this letter, please feel free to contact Mrs. Kerri Maloy by phone at (850) 413-6836 or by email at kmaloy@psc.state.fl.us for technical questions, or Ms. Bianca Lherisson by phone at (850) 413-6630 or by email at BLheriss@psc.state.fl.us for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,

/s/Kerri Maloy

Kerri Maloy

Engineering Specialist

KM/jp

cc: Office of Commission Clerk (Docket No. 20210095-WS)
Tom Crabb, tcrabb@radeylaw.com