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FPSC - COMMISSION CLERK

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 3, 2015

TO: Office of Commission Clerk (Stauffer)

FROM: Office of the General Counsel (Corbari, Ames) *HC*
 Division of Accounting and Finance (Bulecza-Banks, Fletcher, Polk) *BS*
 Division of Administrative and IT Services (Belcher) *KB*
 Division of Economics (Earnhart) *JE*

RE: Docket No. 150022-WU – Initiation of show cause proceedings against Wildwood Water Company in St. Johns County for violations of Sections 350.113, 367.121, 367.145 and 367.161, F.S., and Rules 25-30.120 and 25-30.110, F.A.C.

AGENDA: 09/15/15 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brisé

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

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Case Background

On January 6, 2015, staff opened the instant docket to initiate a show cause proceeding against Wildwood Water Company (Wildwood) for apparent violations of Florida Statutes and Commission rules and regulations in failing to submit, or timely submit, its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013, as well as failing to remit payment of its annual Regulatory Assessment Fees (RAFs) for the years 2009, 2010, 2011, 2012, 2013, and 2014.

Wildwood is a Class C water utility providing service to approximately 397 residential and commercial customers in St. Johns County. Wildwood is located in the St. John's River Water Management District, but outside the water resource caution area. The following information provides a historical overview of the Commission's activities related to Wildwood.

Wildwood has been in existence since 1979. Between 1985 and 1989, Wildwood was regulated by the Commission until the Board of County Commissioners of St. Johns County adopted Resolution Number 89-214, rescinding the Commission's jurisdiction over private water and wastewater utilities in St. Johns County. On December 20, 1989, the Commission acknowledged the St. Johns County Resolution.¹ In December 2008, the Board of County Commissioners of St. Johns County passed Ordinance No. 2008-57, which transferred jurisdiction over privately-owned water and wastewater utilities in St. Johns County to the Commission, effective January 16, 2009. The Commission acknowledged the St. Johns County Ordinance on February 12, 2009.²

Pursuant to Section 367.171(2)(b), Florida Statutes (F.S.), each utility engaged in the operation or construction of a system is entitled to receive a grandfather certificate for the area served by the utility on the day the Chapter becomes applicable to it. In 2010, Wildwood filed an application with the Commission requesting a grandfather certificate of authority to provide water service in St. Johns County. The Commission granted Wildwood Water Certificate No. 648-W, effective January 16, 2009, pursuant to Order No, PSC-10-0367-PAA-WU.³

Since coming back under the Commission's jurisdiction in 2009, Wildwood has failed to remit payment of its RAFs and, with the exception of 2014, has failed to timely file its Annual Reports. Prior to the issuance of the Order granting Wildwood's certificate, Wildwood was advised that its 2009 Annual Report and RAFs were due by March 31, 2010.⁴ Wildwood requested and was granted an extension of time, until April 30, 2010, to file its 2009 Annual Report and RAFs,⁵ which it failed to do. The Commission noted in Order No. PSC-10-0367-PAA-WU, that Wildwood's Annual Report and RAFs for the period it became subject to the Commission's jurisdiction (January 16 - December 21, 2009) remained delinquent and that Wildwood was subject to associated penalties and interest for failing to timely file its RAFs and Annual Report.⁶

¹ Order No. 22330, issued December 20, 1989, in Docket No. 891162-WS, In re: Request for acknowledgement of resolution rescinding Florida Public Service Commission jurisdiction over private water and sewer utilities in St. Johns County.

² Order No. PSC-09-0092-FOF-WS, issued February 12, 2009, in Docket No. 090029-WS, In re: Ordinance by Board of County Commissioners of St. Johns County relating to regulation of water and wastewater utilities within the unincorporated areas of St. Johns County.

³ Order No. PSC-10-0367-PAA-WU, issued June 7, 2010, in Docket No. 100011-WU, In re: Application for grandfather certificate to operate water utility in St. Johns County by Wildwood Water Company.

⁴ Id., at p. 2.

⁵ Id.

⁶ Id.

Four years after the Commission granted Wildwood its certificate, Wildwood still had not remitted payment of its 2009 or subsequent years RAFs, nor had it filed its Annual Reports for 2009, 2010, 2011, 2012, and 2013. In May 2014, Commission staff attempted to contact Wildwood with regard to its delinquent RAFs and Annual Reports. In June 2014, the President and Owner of Wildwood, Mrs. Diane Mills, contacted Commission staff and requested a payment plan for resolving its delinquent RAFs. Staff attempted to work with Mrs. Mills in order to resolve Wildwood's delinquent status and bring Wildwood back into compliance. Mrs. Mills agreed to staff's request that Wildwood submit its Annual Reports and RAF Returns for the years 2009 through 2013, and make an initial payment toward its delinquent RAFs by June 30, 2014. In exchange for Wildwood submitting a RAF payment, its RAF Returns, and Annual Reports, staff would continue to assist Wildwood to further resolve its compliance delinquencies and Wildwood's RAF account would not be sent to collections or an enforcement proceeding.

Despite staff's numerous efforts, Mrs. Mills refused to fully cooperate with staff to resolve Wildwood's RAF and Annual Report delinquencies. Wildwood never made any payment toward its delinquent RAF balance. In May 2014, Mrs. Mills dropped off copies of Wildwood's RAF Returns for the years 2010, 2011, 2012, and 2013 to the Commission in person. The RAF Returns Mrs. Mills provided, however, were not signed by a representative of the Utility and were therefore incomplete. On July 25, 2014, Wildwood submitted its Annual Reports and RAF Returns for the years 2011, 2012, and 2013, along with signed RAF Returns for 2011, 2012, and 2013. Although Mrs. Mills submitted signed RAF Returns along with Wildwood's Annual Reports for 2011, 2012 and 2013, Mrs. Mills refused to submit Wildwood's Annual Reports for 2009 or 2010, a RAF Return for 2009, or a signed RAF Return for 2010. In addition, Staff attempted to complete a formal audit of the Utility, however, Mrs. Mills refused to provide any of Wildwood's billing records to Commission staff.

The Commission notified Wildwood of its non-compliance status numerous times, with no response.⁷ In certified letters, dated October 23, 2014 and November 21, 2014, the Commission's Office of the General Counsel notified Wildwood of its apparent violations of Sections 350.113, 367.145 and 367.161, F.S., and Rules 25-30.120 and 25-30.110, Florida Administrative Code

⁷ Document No. 00118-15, in Docket No. 150022-WU, Commission Correspondence to Wildwood Water Company regarding apparent violations of Sections 350.113, 367.145, and 367.161, F.S., and Rules 25-30.120 and 25-30.110, F.A.C., attached to Staff's Request to Establish Docket Initiation of show cause proceedings against Wildwood Water Company dated January 6, 2015:

- Letter from Office of the General Counsel, dated April 20, 2011, re: notification of failure to submit 2010 RAFs and demand for payment within 15 days.
- Letter from Office of the General Counsel, dated April 23, 2012, re: notification of failure to submit 2011 RAFs and demand for payment within 15 days.
- Letter from Office of the General Counsel, dated April 22, 2013, re: notification of failure to submit 2012 RAFs and demand for payment within 15 days.
- Letter from the Office of General Counsel, dated April 21, 2014, re: notification of failure to submit 2013 RAFs and demand for payment within 15 days.
- Letter dated October 23, 2014, re: apparent violations of sections 350.113, 367.145, and 367.161, F.S., and Rules 25-30.120 and 25-30.110, F.A.C., and possible initiation of show cause proceedings.
- Letter dated November 21, 2014, re: re: apparent violations of sections 350.113, 367.145, and 367.161, F.S., and Rules 25-30.120 and 25-30.110, F.A.C., and possible initiation of show cause proceedings.

(F.A.C.), and demanded Wildwood submit its delinquent RAFs and Annual Reports.⁸ Both notices advised Wildwood that, should it fail to remit payment of its 2009-2013 RAFs, plus penalties and interest, to remit payment of penalties for its late and unfiled Annual Reports, and/or to file its Annual Reports for 2009 and 2010, Commission staff would open a docket to initiate a show cause proceeding. In addition, the notices advised Wildwood that, should it be found to have violated Commission rules, it could be subject to additional penalties of up to \$5,000 per day, pursuant to Section 367.161, F.S.⁹ Wildwood did not respond to any of staff's notices, nor did it remit any RAF payments, file its outstanding annual reports, or attempt to contact Commission staff.

After receiving no response from Wildwood, the Commission's Office of General Counsel established the instant docket and notified Wildwood that a show cause proceeding had been opened for its apparent violations of Commission rules and statutes.¹⁰ The notice of show cause proceeding also advised Wildwood that it was required to submit its 2014 Annual Report and RAFs by March 31, 2015.¹¹

In March 2015, staff counsel was contacted by Mr. Deterding, who informed staff that he had been retained by Mr. Gregory Mills, the son of Mrs. Mills and the Vice-President of Wildwood, to represent Wildwood in this matter. Mr. Deterding advised staff that, until recently, Mr. Mills oversaw the plant operation of the Utility, while his mother, Mrs. Mills, handled the administrative aspects of the Utility's operations. Wildwood Counsel advised staff that Mr. Mills was just beginning to assume the administrative duties from his mother due to Mrs. Mills' deteriorating health and that, until Staff initiated the show cause proceeding, Mr. Mills was unaware of Wildwood's compliance issues with the Commission. Counsel for Wildwood then requested that Wildwood be given an extension of time to file its 2014 RAF Return and Annual Report.

On March 26, 2015, Wildwood was granted an extension, until April 30, 2015, to file its 2014 Annual Report.¹² On March 31, 2015, Wildwood filed its Annual Reports for 2009 and 2010, and its RAF Return for 2014. On April 3, 2015, Wildwood filed its RAF Returns for 2009 and 2010. On April 30, 2015, Wildwood requested an additional extension of time, until May 31, 2015, to file its 2014 Annual Report, which was granted. On May 29, 2015, Wildwood filed its 2014 Annual Report, along with a revised RAF Return for 2014.

⁸ Document No. 05990-14, in Docket No. 140000, Staff's demand for payment of past due RAFs and Annual Reports, dated October 23, 2014; and Document No. 06425-14, in Docket No. 140000, Staff's demand for payment of past due RAFs and Annual Reports, dated November 21, 2014.

⁹ Id.

¹⁰ See Document 00158-15, in Docket No. 150022-WU, Letter notifying utility of establishment of a docket to initiate show cause proceeding, dated January 8, 2015; and Document No. 00597-15, in Docket No. 150022-WU, Certified Return Receipt signed by Gerald Mills on January 26, 2015, evidencing receipt by Wildwood of staff's certified letter of January 8, 2015.

¹¹ Id.

¹² Wildwood did not file an extension of time to file its 2014 RAF Return because the deadline for requesting an extension had passed. Rule 25-30.120(6)(a), F.A.C., provides that requests for extensions must be received "at least 2 weeks before the due date."

Settlement Discussions

On May 7, 2015, staff participated in an informal meeting with Wildwood to discuss a possible settlement. Although a settlement was not reached on that date, the parties agreed to continue settlement discussions, during which staff and Wildwood counsel exchanged drafts of a proposed settlement agreement. On August 18, 2015, Wildwood filed a letter requesting the Commission approve its proposed Settlement Agreement, which is attached hereto as Attachment "A."

As of September 15, 2015, the amounts owed by Wildwood for delinquent RAFs, plus statutory penalties and interest, are as follows:

WILDWOOD OUTSTANDING RAF AMOUNTS						
YEAR	REVENUES	RAFS (4.5%)	PENALTY (25%)	INTEREST (1%) (AS OF 09/15/15)	PAYMENTS	TOTALS DUE (AS OF 09/15/15)
2014	\$177,341.00	\$7,980.34	\$1,995.09	\$478.92	\$0.00	\$10,454.35
2013	\$172,676.00	\$7,770.42	\$1,942.61	\$1,398.68	\$0.00	\$11,111.71
2012	\$161,630.00	\$7,273.35	\$1,818.34	\$2,182.01	\$0.00	\$11,273.70
2011	\$162,446.00	\$7,310.07	\$1,827.52	\$3,143.33	\$0.00	\$12,280.92
2010	\$147,232.00	\$6,625.44	\$1,656.36	\$3,643.99	\$0.00	\$11,925.79
2009	\$161,931.00	\$7,286.90	\$1,821.73	\$4,882.22	\$0.00	\$13,990.85
TOTALS	\$983,256.00	\$44,246.52	\$11,061.65	\$15,729.15	\$0.00	\$71,037.32

As of September 15, 2015, the penalty amounts owed by Wildwood for delinquent Annual Reports, are as follows:

WILDWOOD ANNUAL REPORT PENALTY AMOUNTS					
YEAR	DATE DUE	DATE FILED	DAYS LATE (AS OF 09/15/15)	PENALTY (\$3 PER DAY)	TOTAL PENALTY (AS OF 09/15/15)
2014	05/31/2015	05/29/15	0	\$0.00	\$0.00
2013	03/31/2014	07/25/2014	116	\$348.00	\$348.00
2012	03/31/2013	07/25/2014	481	\$1,443.00	\$1,443.00
2011	03/31/2012	07/25/2014	846	\$2,538.00	\$2,538.00
2010	04/30/2011	03/31/2015	1,431	\$4,293.00	\$4,293.00
2009	06/01/2010	03/31/2015	1,764	\$5,292.00	\$5,292.00
TOTALS	—————	—————	4,638	\$13,914.00	\$13,914.00

The Commission has jurisdiction pursuant to Sections 120.57, 350.113, 367.121, 367.145, 367.161, F.S., and Rules 25-30.110 and 25-30.120, F.A.C.

Discussion of Issues

Issue 1: Should the Commission accept the Settlement Agreement proposed by Wildwood Water Company, to resolve the apparent violations of Sections 350.113, 367.121, 367.145 and 367.161, F.S., and Rules 25-30.120 and 25-30.110, F.A.C.?

Recommendation: Yes. The Commission should accept the Settlement Agreement proposed by Wildwood Water Company, to resolve the apparent violations of Sections 350.113, 367.121, 367.145 and 367.161, F.S., and Rules 25-30.120 and 25-30.110, F.A.C., and to pay its delinquent Regulatory Assessment Fees, plus statutory penalties and interest, for the years 2009, 2010, 2011, 2012, 2013, and 2014, as well as pay a \$2,500 penalty for its delinquent Annual Reports for the years 2009, 2010, 2011, 2012, and 2013. The Settlement Agreement provides a reasonable resolution of the outstanding issues in the docket, appears to be in the public interest, and promotes administrative efficiency. (Corbari, Ames, Earnhart)

Staff Analysis:

On August 18, 2015, Wildwood filed a letter with a proposed Settlement Agreement, in an effort to fully resolve its apparent violations of Sections 350.113, 367.121, 367.145 and 367.161, F.S., and Rules 25-30.120 and 25-30.110, F.A.C. A copy of the Settlement Agreement is attached hereto as Attachment "A."

The goal of any show cause proceeding is to ensure compliance with Florida law and the Commission's rules and orders. Staff believes the Settlement Agreement accomplishes this goal, as well as provides a remedy for apparent past violations, and, therefore, recommends that the Commission approve the proposed Settlement Agreement, in full, as attached hereto. Highlights of specific provisions of the settlement offer are as follows:

- Wildwood 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 RAFs, plus statutory penalties and interest, for the years 2009, 2010, 2011, 2012, 2013, and 2014.
- Wildwood acknowledges its obligation, pursuant to Section 367.121, F.S., and Rule 25-30.110, F.A.C., to remit payment for penalties associated with the delinquent filing of its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013.
- Beginning in October 2015, Wildwood will begin making monthly payments, by the twentieth of each month, in the amount of \$1,000, in an effort to pay off the balance of its 2011, 2012, 2013 and 2014 RAFs, as well as penalties and interest for 2009, 2010, 2011, 2012, 2013, and 2014.
- Beginning in October 2015, Wildwood will begin making monthly payments, by the twentieth of each month, in the amount of \$250, in an effort to pay off the \$2,500 penalty for the delinquent filing of its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013.

- Wildwood will submit payment of its 2015 and future RAFs to the Commission, timely and in full.
- Wildwood will submit its 2015 and all future Annual Reports to the Commission in a timely manner.
- Wildwood agrees to waive its right to an administrative formal hearing pursuant to Sections 120.569 and 120.57, F.S.
- In consideration of Wildwood's complete and timely performance of all the obligations agreed to in this Settlement Agreement, the Commission conditionally agrees to:
 - reduce the amount of the penalties owed by Wildwood for failing to timely remit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013 to \$2,500 (\$500 per year), as set out in Exhibit B of the Settlement Agreement attached hereto; and
 - waive its right to seek civil remedies against Wildwood for failing to remit payment of its RAFs, penalties and interest, and failing to timely file its Annual Reports provided that Wildwood complies with all of the terms of this Settlement Agreement and any final Commission order approving the agreement.
- Wildwood 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, Wildwood will provide a copy of the Settlement Agreement and Commission order approving the agreement to any purchaser, operator, or person assuming control of Wildwood and/or any court presiding over any abandonment or bankruptcy proceeding involving Wildwood.
- 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 Wildwood 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, and void the Annual Report penalty reduction, reinstating the original penalty amount of \$13,914, the unpaid balance of which will become immediately due. In addition, the Commission would 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, initiating an action in circuit court and placing a lien on the real and personal property of Wildwood.

Staff believes that, taken in its entirety, the Settlement Agreement provides a reasonable resolution of the outstanding issues in Docket No. 150022-WU. Staff further believes that the Commission's approval of the Settlement Agreement would be in the public interest, as it provides for future compliance with Florida Statutes and Commission Rules. Finally, staff believes that Commission approval of the Settlement Agreement will promote administrative efficiency and will avoid the time and expense of a hearing. Therefore, Staff recommends the Commission approve the proposed Settlement Agreement submitted by Wildwood.

Issue 2: Should this Docket be closed?

Recommendation: No. If Issue 1 is approved, the Settlement Agreement would resolve all matters in Docket No. 150022-WU, in accordance with Section 120.57(4), F.S. Staff recommends the docket remain open to process the settlement payments and to monitor ongoing compliance with the terms of this Settlement Agreement. Once all the terms of the Settlement Agreement and all outstanding amounts owed have been satisfied, the docket may be administratively closed. Should Wildwood fail to comply with any of the terms of the proposed Settlement Agreement, staff requests the Commission authorize the Office of the General Counsel to pursue all reasonable means necessary to enforce the terms of the Settlement Agreement, including any Commission Order approving same, and to collect the amounts owed by Wildwood, pursuant to Sections 120.69 and 367.121(1)(g) and (j), F.S., including, but not limited to, initiating an action in circuit court and seeking the placement of a lien on the real and personal property of Wildwood. (Corbari, Ames)

Staff Analysis: If Issue 1 is approved, the Settlement Agreement would resolve all matters in Docket No. 150022-WU, in accordance with Section 120.57(4), F.S. Staff recommends the docket remain open to process the settlement payments and to monitor ongoing compliance with the terms of this Settlement Agreement. Once all the terms of the Settlement Agreement and all outstanding amounts owed have been satisfied, the docket may be administratively closed.

Should Wildwood fail to comply with any of the terms of the proposed Settlement Agreement, staff requests the Commission authorize the Office of the General Counsel to pursue all reasonable means necessary to enforce the terms of the Settlement Agreement, including any Commission Order approving same, and to collect the amounts owed by Wildwood, pursuant to Sections 120.69 and 367.121(1)(g) and (j), F.S., including, but not limited to, initiating an action in circuit court and seeking the placement of a lien on the real and personal property of Wildwood.



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August 18, 2015

VIA EMAIL

Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Wildwood Water Company, Inc.
Docket No. 150022-WU; Initiation of Show Cause Proceeding Against Wildwood
Water Company in St. Johns County for Violations of Sections 350.113, 367.121,
367.145, and 367.161, Florida Statutes, and Rules 25-30.120 and 25-30.110,
Florida Administrative Code

Dear Ms. Stauffer,

I am attaching hereto an offer of settlement presented by me on behalf of
Wildwood Water Company for settlement of the issues outlined in the above-referenced
docket. We have worked with the staff in order to reach this settlement and are hopeful
that with the fully executed Settlement Agreement this matter can come to an
expeditious close.

If you have any questions or need any further information from me, please do not
hesitate to contact me.

Sincerely,

F. Marshall Deterding
Of Counsel

FMD/brf
Enclosure

cc: Mr. G. Gregory Mills, Vice President
Kelley Corbari, Esquire (Office of General Counsel)
Leslie Ames, Esquire (Office of General Counsel)
Cheryl Bulecza-Banks (Division of Accounting & Finance)
James Polk (Division of Accounting & Finance)
Stephen Fletcher (Division of Accounting & Finance)
Karen Belcher (Administration)
Toni Earnhart (Division of Economics)
Lynn Deamer (Office of Auditing & Performance Analysis)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against Wildwood Water Company in St. Johns County for violations of Sections 350.113, 367.121, 367.145 and 367.161, Florida Statutes, and Rules 25-30.120 and 25-30.110, Florida Administrative Code

DOCKET NO. 150022-WU

SETTLEMENT AGREEMENT

Pursuant to Section 120.57(4), Florida Statutes (F.S.), Wildwood Water Company (Wildwood) 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. 150022-WU. This Settlement Agreement is intended to avoid the time, expense and uncertainty associated with adversarial litigation. The terms of this Settlement Agreement are as follows:

1. Wildwood 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 (RAFs), plus statutory penalties and interest, for the years 2009, 2010, 2011, 2012, 2013, and 2014, as set out in Exhibit A attached hereto.
2. Wildwood acknowledges its obligation, pursuant to Section 367.121, F.S., and Rule 25-30.110, F.A.C., to remit payment for penalties associated with its delinquent Annual Reports for the years 2009, 2010, 2011, 2012, and 2013, as set out in Exhibit B attached hereto.
3. In consideration of Wildwood's complete and timely performance of all the obligations agreed to in this Settlement Agreement, the Commission conditionally agrees to:
 - a. reduce the amount of the penalties owed by Wildwood for failing to timely remit its Annual Reports for the years 2009, 2010, 2011, 2012, and 2013 to \$2,500.00 (\$500.00 per year), as set out in Exhibit B attached hereto; and

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Wildwood Settlement Agreement

- b. waive its right to seek civil remedies against Wildwood for:
 - (i) failing to remit payment of RAFs, penalties and interest for the years 2009, 2010, 2011, 2012, 2013, and 2014, pursuant to Sections 367.145 and 350.113, F.S., and Rule 25-30.120, F.A.C.; and
 - (ii) failing to timely file Annual Reports and to remit penalties related thereto for the years 2009, 2010, 2011, 2012, and 2013, pursuant to Section 367.121, F.S., and Rule 25-30.110, F.A.C.

The penalty reduction and/or civil action waiver is conditioned upon Wildwood's complete compliance with all of the terms of this Settlement Agreement and any final Commission order approving this agreement.

- 4. In lieu of the Commission pursuing all reasonable means necessary to collect the amounts owed by Wildwood, including, but not limited to, initiating an action in circuit court, Wildwood will perform the following:
 - a. Submit payment to the Commission in the amount of **\$13,912.34**, by **September 20, 2015**, satisfying the principal balance of the RAFs owed by Wildwood for the years 2009 and 2010;
 - b. Submit a monthly payment of **\$1,000.00** for outstanding RAFs, penalties and interest, to the Commission, by the **20TH** of every month, beginning on **October 15, 2015**, and continuing until the balance of any outstanding RAFs, penalties and interest has been satisfied;
 - c. Submit a monthly payment of **\$250.00** to the Commission for delinquent Annual Report penalties, by the **20TH** of every month, beginning on **October 15, 2015**, and continuing until the total Annual Report penalty of **\$2,500.00** has been satisfied;
 - d. Submit payment of its 2015 and all future RAFs to the Commission, timely and in full; and
 - e. Submit its 2015 and all future Annual Reports to the Commission in a timely manner.

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Wildwood Settlement Agreement

5. The Commission shall apply all payments made by Wildwood 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.
6. Failure by Wildwood (i) to submit its initial payment of \$13,912.34 payment by September 20, 2015; (ii) to timely submit two (2) consecutive \$1,000.00 RAF installment payments outlined above; (iii) to timely submit two (2) consecutive \$250.00 Annual Report installment payments outlined above; or (iv) to abide by any of the other terms contained herein, shall be considered a breach of this Settlement Agreement.
7. Failure to perform any of the terms contained in this Settlement Agreement or a breach of this Settlement Agreement, shall automatically (i) accelerate the balance of any unpaid RAFs, penalties and interest, which will then become immediately due; and (ii) void the Annual Report penalty reduction, reinstating the original penalty amount of \$13,914.00, the unpaid balance of which will be immediately due.
8. Additional Payment Terms:
 - a. All payments shall be made payable to the "Florida Public Service Commission," include **Docket No. 150022-WU** on the memo line, and be sent to "Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, ATTENTION: Fiscal Services;"
 - b. Payment is considered "timely" if properly addressed, mailed with sufficient postage and postmarked no later than the due date;
 - c. Payment is considered "paid" on the date it is received and logged in by the Commission's Division of Administrative and Information Technology Services in Tallahassee, Florida, or on the date the payment is postmarked by the United States Postal Service;

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Wildwood Settlement Agreement

- d. Payment that is returned by a financial institution for insufficient funds, or any other reason, is a failure to submit timely payment. Pursuant to Section 215.34(2), a service fee of \$15.00 or five percent (5%) of the amount of the payment returned, whichever is greater, shall be assessed to any payment returned by a financial institution for insufficient funds, or for any other reason. Two (2) returned payments 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; and
 - e. There shall be no prepayment penalty for early payment of any of the amounts agreed upon herein.
8. In the event Wildwood, including the property upon which Wildwood is located, becomes the subject of a sale, conveyance, abandonment, or bankruptcy and all of the terms of this Settlement Agreement have not been fully satisfied, Wildwood shall:
 - a. Notify the Commission at least sixty (60) days prior to the sale, conveyance, abandonment or initiating bankruptcy proceedings;
 - b. Provide the Commission with the name and address of the purchaser, operator, or person assuming control of Wildwood;
 - c. Provide a copy of this Settlement Agreement and final Commission order approving the Settlement Agreement, as well as any attachments to same, to any purchaser, operator, or person assuming control of Wildwood; and
 - d. Provide a copy of this Settlement Agreement and final Commission order approving the Settlement Agreement, as well as any attachments to same, to the court presiding over any abandonment or bankruptcy proceeding involving Wildwood.
9. The submission of this Settlement Agreement by Wildwood is in the nature of an offer to settle. This Settlement Agreement is contingent on the Commission accepting the entire Settlement Agreement. Consequently, if this Settlement Agreement is not accepted 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.
10. This Settlement Agreement will take effect the day it is approved by the Commission. In addition, Wildwood understands that the Commission's decision will be reflected in a final order.

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Wildwood Settlement Agreement

11. 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, Wildwood 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. 150022-WU, 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 (i) a petition for a formal proceeding in the form provided by Rule 28-106.201 or 28-106.2015, F.A.C.; (ii) a motion for reconsideration of the decision in this matter in the form prescribed by Rule 25-22.060, F.A.C.; (iii) 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).
12. Nothing in this Settlement Agreement shall prevent the Parties from filing an action 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.
13. In consideration for entering into this agreement, Wildwood acknowledges, agrees, and waives its right to an administrative formal hearing pursuant to Sections 120.569 and 120.57, F.S. Wildwood further acknowledges, agrees, and waives its right to appeal the final order on this matter.
14. This Settlement Agreement resolves all matters in Docket No. 150022-WU in accordance with Section 120.57(4), F.S. Docket No. 150022-WU will continue to remain open until all the terms of this Settlement Agreement have been satisfied by Wildwood.

REDACTED

Docket No. 150022-WU

Wildwood Settlement Agreement

15. 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 17 day of August, 2015.

WITNESSES:

(Print Name)

(Print Name)

BY: G Gregory Mills
G. Gregory Mills, Vice President
WILDWOOD WATER CO.
610 Fairway Drive, #206
St. Augustine, FL 32084
Telephone: (904) 829-3400
Email:

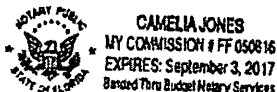
I HEREBY CERTIFY that on this date Aug. 17, 2015 personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, who is known to me and/or who has produced a valid Driver's License (#) as identification, and who swears and affirms the enclosed information is true and correct to the best of her knowledge and is the person that executed this letter for the purposes expressed therein.

Sworn to and subscribed before me this 17th day of August, 2015.

Camelia Jones
Notary Public, State of Florida (Signature)

Camelia Jones
Notary Public, State of Florida
(typed, printed, or stamped)

My Commission Expires: 9/3/17



Docket No. 150022-WU

Settlement Agreement – Exhibit A

WILDWOOD WATER COMPANY (WU937)

RAFS, PENALTY & INTEREST OWED

YEAR	REVENUES	RAFS (4.5%)	PENALTY (25%)	INTEREST (1%) (THRU 9/15/15)	PAYMENTS	TOTAL DUE (AS OF 9/15/15)
2014	\$177,341.00	\$7,980.34	\$1,995.09	\$478.92	\$0.00	\$10,454.35
2013	\$172,676.00	\$7,770.42	\$1,942.61	\$1,398.68	\$0.00	\$11,111.71
2012	\$161,630.00	\$7,273.35	\$1,818.34	\$2,182.01	\$0.00	\$11,273.70
2011	\$162,446.00	\$7,310.07	\$1,827.52	\$3,143.33	\$0.00	\$12,280.92
2010	\$147,232.00	\$6,625.44	\$1,656.36	\$3,643.99	\$0.00	\$11,925.79
2009	\$161,931.00	\$7,286.90	\$1,821.73	\$4,882.22	\$0.00	\$13,990.85
TOTALS	\$983,256.00	\$44,246.52	\$11,061.65	\$15,729.15	\$0.00	\$71,037.32

WILDWOOD WATER COMPANY (wu937)

ANNUAL REPORT PENALTIES

YEAR	DATE DUE	DATE FILED	DAYS LATE (ASOF 9/15/15)	PENALTY (\$3 PER DAY) (ASOF 9/15/15)	PENALTY REDUCTION
2014	05/31/2015**	05/29/15	0	\$0.00	\$0.00
2013	03/31/2014	07/25/2014	116	\$348.00	\$500.00
2012	03/31/2013	07/25/2014	481	\$1,443.00	\$500.00
2011	03/31/2012	07/25/2014	846	\$2,538.00	\$500.00
2010	04/30/2011**	03/31/2015	1,431	\$4,293.00	\$500.00
2009	06/01/2010**	03/31/2015	1,764	\$5,292.00	\$500.00
TOTALS	-----	-----	4,638	\$13,914.00	\$2,500.00

** Utility Granted Extension to File Annual Report