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STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

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

RECEIVED-FPSC
2019 JUN 27 AM 11:47
COMMISSION CLERK

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)

American Retirement Communities, LLC
Balance Sheet
July 31, 2019

Assets

Cash	135,640
Projects under Development	<u>440,706</u>
Total Assets	<u>576,346</u>

Liabilities and Capital

Accounts payable	(22,003)
Partners Capital	(600,000)
Retained Earnings	<u>45,657</u>
	<u>(576,346)</u>

American Retirement Communities, LLC
Income Statement
July 31, 2019

Income	<u>0</u>
Office expenses	22
Payroll	25,968
Web design	3,500
Travel	3,166
Consulting	<u>13,000</u>
Total expense	<u>45,657</u>
Net Income/(Loss)	<u><u>45,657</u></u>

DESCRIPTION OF TERRITORY SERVED

A part of Sections 33 and 34, Township 10 South, Range 26 East and a part of Section 39, Township 10 South, Range 26 East and part of Section 39, Township 11 South, Range 26 East, Putnam County, Florida, being more particularly described as follows: For a point of reference commence at the point of intersection of the northerly line of said Section 39, Township 10 South, Range 26 East, said point being 100.00 feet easterly of as measured at right angles to the center line of the CSX Transportation right-of-way as now established; thence S 28°27'00" E, a distance of 1226.87 feet to the northeasterly right-of-way of County Road 309-B as now established to the POINT OF BEGINNING; thence northwesterly along said northeasterly right-of-way line, along the arc of a curve concave northeasterly and have a radius of 1860.08 feet, a chord bearing of N 53°28'26" W and a chord distance of 118.36 feet; thence N 28°27'00" W, a distance of 1281.54 feet; thence N 61°33'00" E, a distance of 50.00 feet; thence N 28°27'00" W, along the easterly right-of-way line of the CSX Transportation right-of-way, said right-of-way line being 100.00 feet easterly of as measured at right angles to said center line as now established, a distance of 1404.97 feet; thence N 73°28'46" E, a distance of 478.55 feet; thence N 01°09'00" W, a distance of 210.00 feet; thence N 88°51'00" E, a distance of 210.00 feet; thence N 01°09'00" W, a distance of 600 feet more or less to the waters of Murphy Creek; thence southeasterly along said waters of Murphy Creek a distance of approximately 4700 feet to the easterly line of Section 39, Township 10 South, Range 26 East; thence S 26°14'14" E, along said easterly line of said Section 39, Township 10 South, Range 26 East and the easterly line of said Section 39, Township 11 South, Range 26 East, a distance of 1447 feet more or less; thence S 74°31'16" W, a distance of 1674.27 feet, to the northeasterly right-of-way line of County Road 309-B as now established; thence N 59°08'00" W along said northeasterly right-of-way line a distance of 203.67 feet; thence northwesterly along the northeasterly right-of-way line, along the arc of a curve concave northeasterly and having a radius of 1860.08 feet, a chord bearing of N 57°11'47" W and a chord distance of 125.6 feet to the POINT OF BEGINNING.

Prepared By and
When Recorded Return to:

N. DWAYNE GRAY, JR., ESQUIRE
ZIMMERMAN, KISER
& SUTCLIFFE, P.A.
Post Office Box 3000
Orlando, Florida 32802

ASSIGNMENT OF LEASE

This Assignment of Lease (hereinafter referred to as the "Assignment") is effective as of the 9th day of August, 2018, by and among ST. JOHN'S RIVER CLUB, LLC f/k/a SJRC, LLC, a Florida limited liability company (hereinafter referred to as "Landlord Assignor"), ST. JOHN'S RIVER CLUB UTILITY COMPANY, LLC, a Florida limited liability company (hereinafter referred to as "Tenant Assignor"), ST. JOHNS RIVER ESTATES, LLC, a Florida limited liability company (hereinafter referred to as "Landlord Assignee"), and ST. JOHNS RIVER ESTATES UTILITIES, LLC, a Florida limited liability company (hereinafter referred to as "Tenant Assignee"), who agree as follows:

1. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, Landlord Assignor does hereby assign all of Landlord Assignor's obligations, liabilities, privileges, rights, titles, and interests as "Landlord" in, to, and under that certain lease included in Exhibit "A", which is attached hereto and made a part hereof (hereinafter collectively referred to as the "Lease"), pertaining to the real property described therein. Landlord Assignee hereby accepts the foregoing assignment and assumes and agrees to perform all of the obligations of the "Landlord" under the Lease to be performed on and following the date hereof.

2. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, Tenant Assignor does hereby assign all of Tenant Assignor's obligations, liabilities, privileges, rights, titles, and interests as "Tenant" in, to, and under the Lease, pertaining to the real property described therein. Tenant Assignee hereby accepts the foregoing assignment and assumes and agrees to perform all of the obligations of the "Tenant" under the Lease to be performed on and following the date hereof

3. This Assignment shall bind and benefit the parties hereto and their respective successors and assigns.

4. Capitalized terms used in this Assignment, and not otherwise defined, shall have the same meaning as in the Lease.

5. This Assignment may be executed in counterparts, via electronic transmission or facsimile, each of which shall be deemed originals, and all of which together shall constitute one and the same instrument.

(Signatures and Notary acknowledgements follow)

"TENANT ASSIGNOR"

ST. JOHN'S RIVER CLUB UTILITY COMPANY,
LLC, a Florida limited liability company

By: Rachel A Wachs
Name: Rachel A. Wachs
Title: Managing Member

STATE OF Pennsylvania)
) ss:
COUNTY OF Montgomery)

The foregoing instrument was acknowledged before me this 23rd day of July, 2019 by Rachel A. Wachs, as Managing Member of ST. JOHN'S RIVER CLUB UTILITY COMPANY, LLC, a Florida limited liability company, on behalf of said corporation, (✓) who is personally known to me; or (✓) who has produced Driver's License as identification.

Notary Public for State of
(seal) My Commission Expires:

Commonwealth of Pennsylvania
Notarial Seal
MARIANNE B MCCANN - Notary Public
UPPER MERION TWP, MONTGOMERY COUNTY
My Commission Expires Aug 14, 2021

Marianne B McCann
Notary Public for State of PA
My Commission Expires 8-14-21

Exhibit "A"
Lease

[Remainder of this page intentionally left blank.]

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER WASTEWATER CERTIFICATE
OF AUTHORIZATION TO ANOTHER REGULATED UTILITY**

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**

DATE OF CUSTOMER NOTICE – AUGUST __, 2019

Notice is hereby given that St. Johns River Estates Utilities, LLC has filed an 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 in Putnam County Florida pursuant to Section 367.071, Florida Statutes, and Rule 24-30.037, Florida Administrative Code.

St. Johns River Estates Utilities, LLC is not requesting a change to its rates, classifications, charges, or rules and regulations; therefore your current rates will not be affected by this transfer. The St. Johns River Estates Utilities, LLC wastewater system provides service to The Bayou Club Subdivision and surrounding community in the following described service territory in Putnam County, Florida:

WASTEWATER LEGAL DESCRIPTION

A part of Sections 33 and 34, Township 10 South, Range 26 East and a part of Section 39, Township 10 South, Range 26 East and part of Section 39, Township 11 South, Range 26 East, Putnam County, Florida, being more particularly described as follows: For a point of reference commence at the point of intersection of the northerly line of said Section 39, Township 10 South, Range 26 East, said point being 100.00 feet easterly of as measured at right angles to the center line of the CSX Transportation right-of-way as now established; thence S 28°27'00" E, a distance of 1226.87 feet to the northeasterly right-of-way of County Road 309-B as now established to the POINT OF BEGINNING; thence northwesterly along said northeasterly right-of-way line, along the arc of a curve concave northeasterly and have a radius of 1860.08 feet, a chord bearing of N 53°28'26" W and a chord distance of 118.36 feet; thence N 28°27'00" W, a distance of 1281.54 feet; thence N 61°33'00" E, a distance of 50.00 feet; thence N 28°27'00" W, along the easterly right-of-way line of the CSX Transportation right-of-way, said right-of-way line being 100.00 feet easterly of as measured at right angles to said center line as now established, a distance of 1404.97 feet; thence N 73°28'46" E, a distance of 478.55 feet; thence N 01°09'00" W, a distance of 210.00 feet; thence N 88°51'00" E, a distance of 210.00 feet; thence N 01°09'00" W, a distance of 600 feet more or less to the waters of Murphy Creek; thence southeasterly along said waters of Murphy Creek a distance of approximately 4700 feet to the easterly line of Section 39, Township 10 South, Range 26 East; thence S 26°14'14" E, along said easterly line of said Section 39, Township 10 South, Range 26 East and the easterly line of said Section 39, Township 11 South, Range 26 East, a distance of 1447 feet more or less; thence S 74°31'16" W, a distance of 1674.27 feet, to the northeasterly right-of-way line of County Road 309-B as now established; thence N 59°08'00" W along said northeasterly right-of-way line a distance of 203.67 feet; thence northwesterly along the northeasterly right-of-way line, along the arc of a curve concave northeasterly and having a radius of 1860.08 feet, a chord bearing of N 57°11'47" W and a chord distance of 125.6 feet to the POINT OF BEGINNING.

Common Street Names Affected by Transfer: East Buffalo Bluff Road; County Road 309-B; Shadrick Lane; Pine Lake Drive; Lake Margo Drive; and Bayou Drive

For more information concerning this notice, please contact the Utility at the address below.

St. Johns River Estates Utilities, LLC
2000 North Orange Avenue
Orlando, FL 32804
Attn: Anthony T. Fratianne, Esq.
Office: 484-358-1110
E-mail: afratianne@gmail.com

Any objection to the said application must be made in writing and filed with the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later than thirty (30) days after the last date that the notice was mailed or published, whichever is later.