

**Brian Schultz**

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**From:** Asha Maharaj-Lucas  
**Sent:** Tuesday, February 25, 2020 1:07 PM  
**To:** Braulio Baez; Kristen Simmons; Mark Futrell; Apryl Lynn; Keith Hetrick; Mary Anne Helton; Judy Harlow; Tom Ballinger; Andrew Maurey; Cindy Muir; Jennifer Crawford; CLK - Agenda Staff; Commission Suite  
**Cc:** Laura King; Jeff Doehling; Kerri Johnson; Kate Hamrick; Nancy Harrison; Jacqueline Moore  
**Subject:** RE: staff's request for oral modification on Item 9 on March 3 agenda, Water Oak Utility

Please see the approval for an Oral Modification request on Item 9 on March 3, agenda.

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**From:** Braulio Baez  
**Sent:** Tuesday, February 25, 2020 12:34 PM  
**To:** Kristen Simmons; Mark Futrell; Apryl Lynn; Keith Hetrick; Mary Anne Helton; Judy Harlow; Tom Ballinger; Andrew Maurey; Cindy Muir; Jennifer Crawford  
**Cc:** Laura King; Jeff Doehling; Kerri Johnson; Kate Hamrick; Nancy Harrison; Asha Maharaj-Lucas  
**Subject:** RE: staff's request for oral modification on Item 9 on March 3 agenda, Water Oak Utility

Approved. Thanks!

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**From:** Kristen Simmons  
**Sent:** Tuesday, February 25, 2020 11:24 AM  
**To:** Braulio Baez; Mark Futrell; Apryl Lynn; Keith Hetrick; Mary Anne Helton; Judy Harlow; Tom Ballinger; Andrew Maurey; Cindy Muir; Jennifer Crawford  
**Cc:** Laura King; Jeff Doehling; Kerri Johnson; Kate Hamrick; Nancy Harrison; Asha Maharaj-Lucas  
**Subject:** staff's request for oral modification on Item 9 on March 3 agenda, Water Oak Utility

Staff requests approval to make an oral modification to Item 9 scheduled for the March 3, 2020, Commission Conference (Docket No. 20200010-WS, In re: Request for cancellation of Certificate No. 388-S by Sun Communities Finance, LLC. d/b/a Water Oak Utility). The Utility initiated a discussion with staff regarding the wording in Issue 1. Upon review, staff is amenable to the changes as reflected below.

**Issue 1:**

Should the Commission cancel Water Oak Utility's Certificate No. 388-S?

**Recommendation:**

Yes. Water Oak Utility is operating its wastewater system as a reseller exempt from the Commission's jurisdiction pursuant to Section 367.022(8), F.S. Therefore, the Commission should cancel Certificate No. 388-S effective the date the consummating order is issued. Regulatory assessment fees (RAFs) for 2020, and the 2019 Annual Report, are due pursuant to Commission rule, and Billing data are is due to the Commission within 30 days of the Commission vote. The water system will continue to be operated as a regulated utility. (Doehling, Johnson)

**Staff Analysis:**

On December 3, 2019, staff was notified that the Utility was seeking exemption pursuant to Section 367.022(8), F.S. This exemption applies to any person who resells water or wastewater service at a rate or charge which does not exceed the actual purchase price of the water or wastewater.

On April 15, 2019, Water Oak entered into an agreement with Lady Lake which will receive and treat all wastewater from the Utility. Water Oak will resell wastewater service at a rate or charge which does not exceed the actual purchase price of the bulk wastewater service. The Utility will be splitting each bulk wastewater service bill among the customers based upon their water usage, with no “add on” charges being assessed. On December 23, 2019, the connection to Lady Lake was made and as of January 20, 2020, the Utility has ceased operation of its wastewater treatment plant.<sup>[1]</sup>

Water Oak has paid its 2019 RAFs and has notified its customers that it is seeking exemption from the Commission’s jurisdiction.<sup>[2]</sup> Water Oak has agreed to pay RAFs for 2020 and file its 2019 Annual Report. In addition, the Utility has agreed to provide billing data which demonstrates that customers are not being charged at a rate that exceeds the actual purchase price of the wastewater service.

Based on the above, staff recommends that the Commission cancel Certificate No. 388-S effective the date the consummating order is issued. RAFs for 2020, and the 2019 Annual Report, are due pursuant to Commission rule. and bBilling data are is due to the Commission within 30 days of the Commission vote. RAFs for 2020, the 2019 Annual Report, and billing data are due to the Commission within 30 days of the Commission vote.<sup>[3]</sup> The water system will continue to be operated as a regulated utility.

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<sup>[1]</sup>Document No. 00590-2020, filed January 27, 2020.

<sup>[2]</sup>Document No. 00869-2020, filed February 11, 2020.

<sup>[3]</sup>2020 RAFs are for the period from January 1, 2020, to January 20, 2020, the date the wastewater plant ceased operation.