

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: June 22, 2023

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Melinda H. Watts, Engineering Specialist IV, Division of Engineering *MW MR*

RE: Docket No. 20220064-WS - Application for transfer of water and wastewater facilities of Tymber Creek Utilities, Inc., water Certificate No. 303-W, and wastewater Certificate No. 252-S to CSWR-Florida Utility Operating Company, LLC, in Volusia County.

Please file the attached emails regarding "Tymber Creek Transfer – Real Property" and associated email attachments in the above mentioned docket file.

Joann Parsons

From: Major Thompson
Sent: Tuesday, June 20, 2023 11:05 AM
To: Marissa Ramos; Melinda Watts
Cc: Jennifer Crawford
Subject: FW: 20220064 - Tymber Creek Certificate Transfer

Follow Up Flag: Flag for follow up
Flag Status: Flagged

(1 of 2) Please see the below correspondence from Mr. Cvercko received earlier this morning.

V/R,
MRT

From: Alex Cvercko <alex@cverckolaw.com>
Sent: Tuesday, June 20, 2023 9:24 AM
To: Major Thompson <MThomps@psc.state.fl.us>
Subject: RE: 20220064 - Tymber Creek Certificate Transfer

Mr. Thompson,

I reviewed the latest information transmitted by the purchaser. I would note that first, the title commitment is not for the purchasing entity.

Second, while they say the plant was not part of the transfer, the plant is real property, at least the majority of it is, it is a building built on the land with piping and fixtures. Accordingly, the statement that the plant was not transferred is a mischaracterization of the results of the deed. All improvements attached to the land are real property including the force mains once they entered the land. Likely all pumps and most attached equipment is also going to be real property.

If, since 2001 (Perc Pond) and 2019 (Plant) the two parcels and the assets attached thereto were not part of the utility, doesn't that affect the rate structure for the utility. Essentially TCU has been improperly reporting the asset base upon which its rates are based. How would that affect the rates charged to the customers?

Regards,

Alex Cvercko

Alexander B. Cvercko, Esq.



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(2 of 2) Please see the below correspondence from Mr. Cvercko received earlier this morning.

V/R,
MRT

From: Alex Cvercko <alex@cverckolaw.com>
Sent: Tuesday, June 20, 2023 9:44 AM
To: Major Thompson <MThomps@psc.state.fl.us>
Subject: RE: 20220064 - Tymber Creek Certificate Transfer

Mr. Thompson,

As an additional review, I looked at the audit by the PSC for the purposes of evaluating this transfer and filed on the Docket filed by Memorandum dated June 14, 2022.

Page 3 of the Audit states:

Land and Land Rights Objectives: The objectives were to determine whether the Utility's land is: 1) Recorded at original cost, 2) Owned or secured under a long-term lease agreement, and 3) Adjustments required in the Utility's last rate proceeding are recorded in its books and records. Procedures: We scheduled land from the Commission-approved balances in Order No. PSC2011-0345-PAA-WS. We noted that there were no additions to land from June 30, 2010, through February 28, 2022. No further work was performed.

It does not appear that any long term leases or other documentation for either the percolation pond or the main property itself were obtained or evaluated. Due to the transfers by Mr. Shirah and the failure to advise the PSC, it appears this audit is not correct at this point as the utility does not own the plant or the percolation pond. This Audit appears to base its opinions on the misunderstanding of ownership of the plant and the percolation pond.

Regards,

Alex Cvercko

Alexander B. Cvercko, Esq.



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