

FLORIDA UTILITY SERVICES 1, LLC
5911 TROUBLE CREEK RD.
NEW PORT RICHEY, FL. 34652
863-904-5574

September 17, 2019,

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399

RE: Application for a Transfer of Certificate from a Regulated utility
to Another Regulated Utility.

Dear Commission Clerk:

Enclosed Please find an application for transfer and attached
exhibits and the filing fee.

On behalf of the company,



Mike Smallridge.

Check received with filing and forwarded
to Fiscal for deposit. Fiscal to forward
deposit information to Records.

Initials of person who forwarded check:


2019 SEP 18 AM 9:41

RECEIVED-FPSC

**APPLICATION FOR TRANSFER OF CERTIFICATES OR FACILITIES
FROM A REGULATED UTILITY TO ANOTHER REGULATED UTILITY**

**(Pursuant to Section 367.071, Florida Statutes, and
Rule 25-30.037(2), Florida Administrative Code)**

Pursuant to Rule 25-30.037(1)(a), F.A.C., if a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.

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

The undersigned hereby makes application for the transfer of facilities and transfer or cancellation of Water Certificate No. 578-W and/or Wastewater Certificate No. n/a and amendment of Water Certificate No. n/a and/or Wastewater Certificate No. n/a in Manatee County, Florida, and submits the following information:

PART I APPLICANT INFORMATION

- A) Contact Information for Utility/Seller. The utility/seller's certificated name, address, telephone number, and if applicable, fax number, e-mail address, and website address. The utility's name should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations:

SUNNY SHORES WATER CO.

Utility Name

3827 116TH STREET WEST

Office Street Address

BRADENTON

FL

34210

City

State

Zip Code

Mailing Address (if different from Street Address)

City

State

Zip Code

(941) 962-2349 () -
Phone Number Fax Number

Federal Employer Identification Number

E-Mail Address

Website Address

578-w N/A
Water Certificate No. Wastewater Certificate No.

- B) The contact information of the seller's authorized representative to contact concerning this application:

SAME AS ABOVE
Name

Mailing Address

City State Zip Code

() - () -
Phone Number Fax Number

E-Mail Address

- C) Contact Information for Buyer. The buyer's name, address, telephone number, Federal Employer Identification Number, and, if applicable, fax number, e-mail address, website address, and new name of the utility if the buyer plans to operate under a different name. The buyer's business name, and if applicable, new utility name, should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations.

MICHAEL SMALLRIDGE
Buyer's Name

5911 TROUBLE CREEK RD

Office Street Address

NEW PORT RICHEY

FL

34652

City

State

Zip Code

Mailing Address (if different from Street Address)

City

State

Zip Code

(352) 302-7406

() -

Phone Number

Fax Number

84-1927277

Federal Employer Identification Number

MIKE@FUS1LLC.COM

E-Mail Address

SUNNY SHORES UTILITIES, LLC

New Utility Name

- D) The contact information of the buyer's authorized representative to contact concerning this application:

MICHAEL SMALLRIDGE

Name

5911 TROUBLE CREEK RD

Mailing Address

NEW PORT RICHEY

FL

34652

City

State

Zip Code

(352) 302-

() -

Phone Number

Fax Number

MIKE@FUS1LLC.COM

E-Mail Address

E) The name, address, telephone number, and if available, e-mail address and fax number of the person in possession of the books and records when the application is filed.

MICHAEL SMALLRIDGE

Name

5911 TROUBLE CREEK RD

Mailing Address

NEW PORT RICHEY

FL

34652

City

State

Zip Code

(352) 302-7406

() -

Phone Number

Fax Number

MIKE@FUS1LLC.COM

E-Mail Address

F) Indicate the nature of the utility's/buyer's business organization (check one). Provide documentation from the Florida Department of State, Division of Corporations, showing the utility's/buyer's business name and registration/document number for the business, unless operating as a sole proprietor.

- Corporation _____
Number _____
- Limited Liability Company _____
L19000135707
Number _____
- Partnership _____
Number _____
- Limited Partnership _____
Number _____
- Limited Liability Partnership _____
Number _____
- Sole Proprietorship
- Association
- Other (Specify) _____

If the utility is doing business under a fictitious name, provide documentation from the Florida Department of State, Division of Corporations showing the utility's fictitious name and registration number for the fictitious name.

Fictitious Name (d/b/a) _____
Registration Number _____

- G) The name(s), address(es), and percentage of ownership of each entity or person which owns or will own more than 5 percent interest in the utility (Use additional sheet if necessary).

MICHAEL SMALLRIDGE 100%

- H) Provide the date and state of incorporation or organization of the buyer.
MAY 20, 2019-FLORIDA

PART II

TRANSFER OF CERTIFICATE

A) DESCRIPTION OF SALE AGREEMENT

- 1) Exhibit 1 - Provide a copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval.
- 2) Exhibit 2 - Provide the following documentation of the terms of the transfer:
- a) The date the closing occurred or will occur.
THE CLOSING WAS ON JUNE 19, 2019

- b) The purchase price and terms of payment.
\$44,500. Cash at Closing

- c) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities.

- d) A description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations.

there are no considerations between the parties other than the purchase price.

- e) Provisions regarding the disposition, where applicable, of customer deposits and interest thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases.

- f) A statement that the buyer will fulfill the commitments, obligations, and representations of the seller with regard to utility matters.

The buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

- g) A provision that the buyer has or will obtain the books and records of the seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility.

Buyer is in the process of obtaining the books and records of the utility from the previous owner.

- h) A statement that the utility's books and records will be maintained using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA).

The books and records will be maintained by NARUC standards.

- i) A statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of Rule 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or out-of-state. If the records will not be maintained at the utility's office(s), the statement should include the location where the utility intends to maintain the books and records.

The records will be maintained at the utility office at 5911 Trouble Creek Rd.
New Port Richey Florida 34652

B) FINANCIAL ABILITY

- 1) Exhibit 3 - 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 for the preceding calendar or fiscal year. The financial statement 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.

- 2) Exhibit 4 - Provide a list of all entities, including affiliates, upon which the buyer 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.

There are no entities.

C) TECHNICAL ABILITY

- 1) Exhibit 5 - Provide the buyer's experience in the water or wastewater industry.

- 2) Exhibit 6 - Provide the buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities.

D) TERRITORY DESCRIPTION, PUBLIC INTEREST, AND FACILITIES

1) Exhibit 7 - Provide a legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.

2) Exhibit 8 - Provide a statement explaining why the transfer is in the public interest.

3) Exhibit 9 - Provide a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and compliance with all applicable standards set by the DEP, or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a description of the repairs or improvements that have been identified, the governmental entity that required the repairs or improvements, if applicable, the approximate cost to complete the repairs or improvements, and any agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements.

4) Exhibit 10 - Provide documentation of the utility's right to continued long-term use of the land upon which the utility treatment facilities are located. This documentation shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded long-term 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 the applicant files a recorded copy within the time prescribed in the order granting the transfer.

5) Exhibit 11 - Provide a copy of all of the utility's current permits from the Department of Environmental Protection (DEP) and the water management district.

6) Exhibit 12 - Provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary water quality standards report.

- 7) Exhibit 13 - Provide a copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years.
- 8) Exhibit 14 - Provide a copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years.

E) PROPOSED TARIFF

Exhibit 15 - Provide a tariff containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. See Rule 25-30.037, F.A.C., for information about water and wastewater tariffs that are available and may be completed by the applicant and included in the application.

F) ACCOUNTING INFORMATION

- 1) Exhibit 16 - Provide the proposed net book value of the system as of the date of the proposed transfer, and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. If rate base has been established by this Commission, provide the docket and the order number. In addition, provide a schedule of all subsequent changes to rate base.

- 2) Exhibit 17 - Provide a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established or the rate base was last established by the Commission, whichever is later. If the tax returns have not been obtained, provide a description of the steps taken to obtain the tax returns.

- 3) Exhibit 18 - Provide a statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years.

Sunny Shores Utilities, LLC will be responsible for paying RAF's and filing the Annual report for 2019.

- 4) Exhibit 19 - If the buyer currently owns other water or wastewater utilities that are regulated by this Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.

G) NOTICING REQUIREMENTS

Exhibit - 20 - Provide proof of noticing pursuant to Rule 25-30.030, F.A.C. This may be provided as a late-filed exhibit.

PART III

SIGNATURE

Please sign and date the utility's completed application.

APPLICATION SUBMITTED BY: _____



Applicant's Signature

Michael Smallridge
Applicant's Name (Printed)

Sole Managing Member
Applicant's Title

9/16/19
Date

Exhibit 1

AGREEMENT FOR PURCHASE AND SALE OF WATER SYSTEM ASSETS

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER SYSTEM ASSETS ("Agreement") is entered into by and between Florida Utility Services 1, LLC, whose mailing address is 5911 Trouble Creek Rd. New Port Richey, Fl. 34652 ("Buyer") and Sunny Shores Water Co., whose mailing address 3827 116th Street West Bradenton, Florida 34210-1139("Seller") (collectively "the Parties").

Seller agrees to sell, and Buyer agrees to buy the utility systems commonly known as Sunny Shores Water Co. located in Manatee County Florida ("Utility System"), pursuant to the following terms and conditions:

1. The Utility System includes Seller's domestic water supply, transmission, distribution collection systems which has Florida Public Service Commission ("FPSC") Water Certificate 578-W, and the Seller's certificated franchise service area that provides water service to residential and general service customers in Manatee County, Florida.

2. This is a purchase of assets only. The Purchased Assets shall mean (a) all of Seller's rights, title, and interest in and to all assets, business properties, and rights, both tangible and intangible, constituting the Utility System; (b) an assignment of all rights described in any recorded restrictions, including the right to charge, collect and lien against any lot for nonpayment; (c) all easements, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, canals, streets and other areas owned or used by Seller for the construction, operation and maintenance of the Utility System; (d) all water distribution facilities, water treatment facilities, wells, of every kind and description whatsoever that constitute part of the Utility System, including but not limited to generators, pumps, plants, tanks, transmission mains, distribution mains, supply pipes, collection pipes or facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection with the Utility System, wherever they may be stored, together with all additions or replacements thereto; (e) all certificates, permits, license rights, consents, grants, leaseholds, and similar rights relating to the construction, maintenance, and operation of the Utility System and its plants and systems for the procuring, storage and distribution of potable water, every right of every character whatever in connection therewith, subject to the obligations thereof (collectively, the "Certificates"); and (f) all water rights, flowage rights and all renewals, extensions, additions or modifications of any of the foregoing

3. Purchased Assets shall also include: (a) all items of inventory owned by Seller on date this agreement is executed by Seller, for use in connection with the maintenance and operation of the Utility System, which inventory shall not be unreasonably depleted prior to the Closing date, including without limitation, all meters, chemicals, and other materials and supplies used by Seller; (b) all supplier lists, customer records, receipts for payment of connection charges, prints, blueprints, plans, engineering reports, specifications, shop drawings, equipment manuals, maps, and other information in Seller's possession, including any rights of Seller to obtain copies of such items from

engineers, contractors, consultants or other third parties, in paper and electronic form; (c) all sets of drawings, showing all facilities of the Utility System, including all original tracings, maps, or other reproducible materials in Seller's possession, including any rights of Seller to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form; and (d) any Developer Agreements. Seller shall prepare and deliver to Buyer a list of personal property to be conveyed at closing, 5 days prior to closing, for Buyer's review and approval.

4. Buyer and Seller shall agree, prior to closing, on the method of calculating and transferring to Buyer the balance of the operating accounts of the Utility System, together with all customer deposits and accounts receivables for the Utility System; the monthly expenses shall be paid in full for the last month for which Seller retains the receivables for that month's billing.

5. The following "Excluded Assets" are excluded from the Purchased Assets: (a) escrow and other Seller provisions for payment of federal and state taxes and other obligations to governmental entities; (b) seller shall be responsible for paying any such taxes and other obligations, to the extent that they are due from the operation of the Utility System prior to the Closing Date.

6. **Name of New Entity.** Buyer shall utilize, and may acquire title in the names "Sunny Shores Water, LLC" and no infringement shall be claimed by Seller.

7. Buyer shall assume all obligations and liabilities arising from the operation of the Utility System after the day of Closing, under the Certificates or under contracts or commitments expressly assumed by Buyer. Seller warrants that there are no known contracts to be assumed by Buyer. Buyer does not assume and shall not be liable for any expense, assessment, exposure, fine, penalty, liability, act or omission of Seller of any kind whatsoever imposed or required by any third party (including any federal, state, or local authority), whether known or unknown, whether contingent, liquidated or unliquidated, and whether arising or accruing under contract, tort, or pursuant to statute, rule, ordinance, law, regulation or otherwise. Without limiting the foregoing, Buyer shall not be liable for any liabilities to the extent that they are based upon or arise out of any violation of law, breach of permit obligation, breach of contract, tort, or other act or omission of Seller occurring prior to the Closing Date. Seller shall remain liable for and shall pay, perform or discharge all of Seller's liabilities and obligations, other than liabilities and obligations assumed by Buyer.

8. **Purchase Price.** On the Closing Date, Buyer shall pay to Seller, subject to the additions, adjustments and pro-rations referenced in this Agreement the purchase price of \$44,500 ("Purchase Price").

9. **Warranties.** Seller represents and warrants to Buyer that the execution and performance of this Agreement will not violate any provision of law, order of any court or agency of government applicable to Seller, the Articles of Incorporation or By-Laws of Seller, nor any indenture, agreement, or other instrument to which Seller is a party, or by which it is bound. The Purchased Assets are not subject to any mortgage, pledge, lien, charge, security interest, or encumbrance and Seller shall, at closing deliver title to such personal property free and clear of all debts, liens, pledges, charges or encumbrances whatsoever.

10. **Environmental Law Compliance.** Seller warrants that the Utility is in material compliance with all applicable Environmental Laws, including any federal, state,

or local statute, regulation, or ordinance, relating to the protection of human health or the environment in effect as of the Closing Date and includes, but is not limited to, The Florida Air and Water Pollution Control Act (Chapter 403, Florida Statutes), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA")(42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), and the Safe Drinking Water Act, (42 U.S.C. § 300f et seq.), as such have been amended or supplemented as of the Closing Date, the regulations promulgated pursuant thereto, and any conditions and requirements contained in any permits possessed by Seller from any federal, state or local agencies necessary to operate the Utility System.

11. Seller warrants there are no current actions, suits or proceedings at law or in equity pending or, to Seller's knowledge, threatened against the Seller or the Utility before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the Utility System or any of the Purchased Assets or the Seller's right and ability to make and perform its obligations under this Agreement; nor is the Seller aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding, other than that as set forth on Exhibit "A" hereto. Seller is not in material default with respect to any permit, order or decree of any court or of any administrative or governmental agency or instrumentality affecting the Utility System or any of the Purchased Assets. Seller agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings and orders which in any way relate to the operation of the Utility System.

12. Intentionally Omitted.

13. Intentionally Omitted.

14. **Conditions Precedent to Closing.** This contract is contingent upon The Florida Public Service Commission (FPSC) agreeing to the transfer of application. The sale, assignment and transfer of the utility's certificate of authorization, facilities and equipment is contingent upon FPSC approval. In the event the PSC does not approve the sale and transfer of the Certificate of Authorization to Buyer, Seller shall cooperate in Buyer's continued operation of the system, until the expiration of such time as the FPSC approves said transfer to Buyer, or any other applicant proposed by Buyer or 2 years elapses from date of closing to approve such sale and transfer, whichever event occurs first.

15. **Documents to be Provided by Seller.** Seller shall provide Buyer all plans and specifications showing the Utility System, together with a map showing the Utility System and appurtenances as now constructed; any contracts or leases; all documents identifying equipment, tools, parts and all other personal property owned or used by Seller in connection with the operation of the Utility System; a schedule and copies of documents reflecting the rates, fees and charges currently being collected by Seller; copies of all permits, applications, or other documents, together with effective dates and expiration dates (if any), issued to Seller by all applicable governmental authorities including, but not limited to: (a) the Florida Department of Environmental Protection, (b) the United States Environmental Protection Agency, and (c) the Southwest Florida Water

Management District; a list of all customers, customer deposits and accounts receivable by name and account number, setting forth the amount of each individual deposit and receivable and their aggregate totals and identifying each deposit as refundable or non-refundable; all warranties held by Seller with respect to completed, or in progress, construction work with respect to the Utility System, in addition to a copy of all warranties relating to the Purchased Assets; any and all effective insurance policies with respect to the Purchased Assets and Utility System; all evidence of ownership or rights to the all Surveys of the location of the Utility System, if any; all easements, licenses, prescriptive rights and rights-of-way; all environmental permits and applications; and all payroll and/or invoices for all office personnel, operators and field employees and the employee benefit plan for such employees and such other information relating to employees as may be requested by Buyer or its contract operator.

16. OBLIGATIONS OF SELLER. The risk of any loss of the Purchased Assets shall remain with Seller until closing. Seller shall not enter into any new contracts or obligations without Buyer's written consent.

17. TERMINATION. Buyer shall have the right to terminate this Agreement for any material defect or problem revealed including, but not limited to, any terms of the Seller's contracts which would cause a material adverse change in the long term operation of the Utility System or the Purchased Assets from the current operation.

18. CLOSING. This transaction shall be closed on or before June 14, 2019 unless extended by both parties. At Closing (a) Buyer shall pay the Purchase Price, recording costs, documentary and intangible tax on mortgage; (b) the parties shall execute such documents as are necessary to meet the conditions described herein; (c) title to the Real Property shall be conveyed to Buyer by Warranty Deed free of all claims, liens, or encumbrances whatsoever, other than Permitted Encumbrances. Title to the remaining Purchased Assets shall be conveyed to Buyer by Bill of Sale free of all claims, liens, or encumbrances, whatsoever, other than Permitted Encumbrances; (d) Seller shall assign its right, title and interest in all easements, licenses, etc.

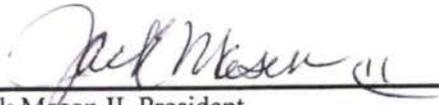
19. Closing Costs: (a) recording fees to record the deeds and any other instruments necessary to deliver title to the Buyer shall be paid by the Buyer; (b) each of the parties shall pay the fees of its own attorneys, bankers, engineers, accountants, and other professional advisers or consultants incurred in connection with the negotiation and execution of this Agreement; (c) Seller shall be responsible for all costs for services, materials and supplies rendered in connection with the operation of the Utility System prior to and including the day of Closing including, but not limited to, electricity, purchased water or telephone service and other such services, materials and supplies ("Accounts Payable"). Buyer shall be responsible for all such costs and expenses incurred subsequent to Closing. (d) Seller shall convey to Buyer by check all customer deposits, cash on hand, and interest accumulated thereon through the day of Closing. Buyer shall assume liability for customer deposits which are conveyed to Buyer by Seller at Closing. (e) Seller warrants that Seller is not prohibited by decree or law from entering into this transaction, there are no legal actions or proceedings that hinder the ability of Seller to close the transaction, nor are there any pending against the Utility.

20. Post-Closing Cooperation. After Closing, Seller and Buyer shall upon reasonable request of the other execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds,

assignments, transfers, powers of attorney and assurances as may be required to implement and perform any of the obligations, covenants and agreements of the parties. The terms of this Agreement shall survive closing.

21. MISCELLANEOUS PROVISIONS. This Agreement constitutes the entire agreement between the parties. In the event of any litigation that arises between the parties with respect to this Agreement, each party shall bear their own attorney fees and costs. This Agreement may be modified only in writing. This Agreement shall be governed by the laws of the State of Florida with venue shall be in Manatee County, Florida. Except as provided for herein, this Agreement may not be assigned without the prior written consent of the non-assigning party, except that Buyer shall create a new LLC and Buyer may assign all of its rights to the new entity without any further consent by Seller. If properly assigned, this Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns.

a. IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed the day and year aforesaid in counterparts, each counterpart to be considered an original.



Jack Mason II, President 4-22-19
Date



Michael Smallridge, Manager 4-22-19
Date

EXHIBIT A

P.S. Bay, LLC and Robert Gertz v. Sunny Shores Water Co., Jack Mason and Debbie Mason, Case No. 2016-CA-00805-AX , Circuit Court, Manatee County, Florida

AG
Mike

EXHIBIT 5

Michael Smallridge was appointed to the Citrus County Water and Wastewater Authority, the local regulatory body for Citrus County, where he served for seven years. The owner also served as the "Class C" representative for the Governors Study Committee for Investor Owned Water and Wastewater Utility Systems in 2013. He attends yearly training classes through the Florida Rural Water Association and completed the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School in 2001. He owns, is the receiver of, or is the manager of, a total of 15 Class C water and wastewater facilities that are regulated by the Commission.

Exhibit 6

The buyer has contracted with Benchmark Lab's to perform all water testing. This will ensure accurate water testing by a third party company.

All billing services has been transferred to the Florida Utility Services customer service office. Customers will have new services available such as the ability to make payments on line, receive a bill by email and a dedicated 24/7 after hours emergency phone number. Sunny Shores Utilities will have on site storage of materials and pumps to effect after hour emergencies if needed.

At the request of Benchmark Lab's we have added 3 additional water sampling points.

All regulatory compliance tasks will be performed by Florida Utility Services staff.

Exhibit 7

DESCRIPTION OF TERRITORY SERVED

APPLICANT SERVES CUSTOMERS LOCATED IN A PORTION OF MANATEE COUNTY, FLORIDA, SITUATED ENTIRELY WITHIN THE NORTHWEST 1/4 OF SECTION 2, TOWNSHIP 35 SOUTH, RANGE 16 EAST, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 35 SOUTH, RANGE 16 EAST; THENCE RUN S 00°00'00" E A DISTANCE OF 1,444 FEET TO THE NORTHERLY ROW LINE OF 40TH AVENUE WEST; THENCE RUN S 64°00'00" E ALONG SAID ROW LINE A DISTANCE OF 881 FEET TO THE POINT OF BEGINNING; THENCE RUN N 24°00'00" E A DISTANCE OF 1,468 FEET ALONG THE WESTERLY BANK OF A CANAL; THENCE CONTINUING ALONG THE WESTERLY BANK OF SAID CANAL RUN N 16°00'00" E A DISTANCE OF 131 FEET; THENCE CONTINUING ALONG SAID CANAL RUN N 26°00'00" E TO THE SHORELINE OF PALMA SOLA BAY; THENCE RUN EASTERLY ALONG THE SHORELINE OF PALMA SOLA BAY A DISTANCE OF APPROXIMATELY 1,000 FEET TO THE POINT WHERE A BULKHEAD INTERSECTS SAID SHORELINE; THENCE RUN ALONG SAID BULKHEAD N 26°56'00" E A DISTANCE OF 302.14 FEET; THENCE CONTINUING ALONG SAID BULKHEAD RUN S 62°30'11" E A DISTANCE OF 160.67 FEET TO THE EASTERLY ROW LINE OF 115TH STREET WEST; THENCE RUN S 24°46'00" W ALONG SAID ROW LINE A DISTANCE OF 1,875 FEET TO THE NORTHERLY ROW LINE OF 40TH AVENUE WEST; THENCE RUN N 64°00'00" W ALONG SAID ROW LINE A DISTANCE OF APPROXIMATELY 1,069 FEET TO THE POINT OF BEGINNING.

Exhibit 8

I believe the transfer is in the public interest because I am able to bring forth the appropriate maintenance and customer service staff, along with the ability to provide financial backing.

Also, I am able to offer additional optional services to customers such as the ability of the customer to receive bills via email, pay bills on line and electronic payments.

Exhibit 9

After reasonable investigation, the system is in acceptable condition.

As far as I know, there are no outstanding issues from any government agency.

I was asked by the company who does the water testing to add additional sampling points which have been completed. The estimated cost was \$400.

Exhibit 10

There is no land associated with the utility as bulk water is purchased from Manatee County.

I have attached a copy of the recorded Assignment of Easements document.

This instrument prepared by:
Martin S. Friedman, Esquire
Dean Mead
420 S. Orange Ave., Suite 700
Orlando FL 32801

County: Manatee
Ref: Bk 2188 Pg 447
Date: 6/19/2019
By: DM
Dean Mead

ASSIGNMENT OF EASEMENTS

THIS ASSIGNMENT OF EASEMENTS, is made and entered as of the 11th day of June 2019, by Sunny Shores Water Co., a Florida corporation, whose address is 3827 – 116th Street West, Bradenton, Florida 34210 (hereinafter "Assignor") for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by Sunny Shores Utilities, LLC, a Florida limited liability company, whose address is 5911 Trouble Creek Road, New Port Richey, Florida 34652 (hereinafter "Assignee"). Assignor has granted, bargained, sold, transferred, assigned and delivered, and by these presents does grant, bargain, sell, transfer, assign and deliver unto the Assignee, its successors and assigns, all of Assignor's right, title, and interest in and to all easements, licenses, prescriptive rights, rights of way, rights to use public and private roads, highways, canals, streets and other areas and all other rights owned or used by Assignor in Manatee County, Florida.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever.

IN WITNESS WHEREOF, the Assignor has caused this instrument to be executed as of the day and year first above written.

Signed, sealed and delivered in our presence:

SUNNY SHORES WATER CO.

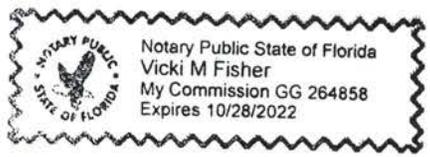
Pamela J. Calderon
Printed Witness Name: PAMELA T. CALDERON

Jack E. Mason, II
By: Jack E. Mason, II, President

Debbie A. Mason
Printed Witness Name: DEBBIE A. MASON

STATE OF FLORIDA
COUNTY OF Sarasota

The foregoing instrument was acknowledged before me this 11th day of June, 2019, by Jack E. Mason, II, as President of Sunny Shores Water Co. a Florida corporation, on behalf of the corporation. She is personally known to me or has produced _____ as identification.



[Signature]
Notary Public – State of Florida
Printed Name: _____
My Commission Expires: _____

Exhibit 13

Since I have owned the utility, there has been no correspondence with any Government agency other than the attached Notice of Transfer filed with DEP.

NOTIFICATION OF TRANSFER.

Facility ID : PWS# 6412418 (water Only)

Facility Name: Sunny Shores Utilities, LLC f/k/a, Sunny Shores Water Co.

Facility Address: 5911 Trouble Creek rd. New Port Richey, FL. 34652

Permittee Name: Michael Smallridge

Title: Managing Member

Mailing Address: 5911 Trouble Creek Rd. New Port Richey, FL. 34652

Phone: 863-904-5574 Email: mike@fus1llc.com

Date of Transfer: 6/10/2019

Date 6/25/19



Michael Smallridge as Sole Managing Member of Sunny Shores Utilities, LLC

Exhibit 14

Since I have owned the utility, there has been no customer complaints.

Exhibit 16

The proposed net book value is \$68,000.

I cannot find where the Commission has ever established rate base.

Exhibit 17

The buyer is in the process of obtaining the income tax returns that the seller has available.

Exhibit 19

Economies of Scale
For the Acquisition of Sunny Shores Utilities LLC

If the buyer owns other water or wastewater utilities that are regulated by the Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.

FUS1 Customer Base (# of services billed)								
FUS1 System	@09/30/18			@09/30/19			Common Cost	
	Cust	Allocation	Common Cost	Cust	Allocation	Common Cost**	Increase(Decrease)	
ALT Alturas	55	1.77%	\$17.68	55	1.62%	\$17.06	(\$0.63)	-3.56%
CCU Charlie Creek	163	5.24%	\$52.41	164	4.84%	\$50.86	(\$1.56)	-2.97%
CRU Crestridge	619	19.90%	\$199.04	619	18.28%	\$191.95	(\$7.08)	-3.56%
EMU East Marion	105	3.38%	\$33.76	106	3.13%	\$32.87	(\$0.89)	-2.64%
HHU Heather Hills	353	11.35%	\$113.50	353	10.43%	\$109.47	(\$4.04)	-3.56%
HGU Holiday Gardens	458	14.73%	\$147.27	457	13.50%	\$141.72	(\$5.55)	-3.77%
LYU Lake Yale	408	13.12%	\$131.19	406	11.99%	\$125.90	(\$5.29)	-4.03%
MGU McCleod Gardens	95	3.05%	\$30.55	96	2.84%	\$29.77	(\$0.78)	-2.54%
OLU Orange Land	74	2.38%	\$23.79	74	2.19%	\$22.95	(\$0.85)	-3.56%
PCU Pinecrest	142	4.57%	\$45.66	142	4.19%	\$44.03	(\$1.62)	-3.56%
SSU Sunny Shores		0.00%	\$0.00	262	7.74%	\$81.25	\$81.25	
SUN Sunrise	244	7.85%	\$78.46	257	7.59%	\$79.70	\$1.24	1.58%
WLU West Lakeland	316	10.16%	\$101.61	316	9.33%	\$97.99	(\$3.62)	-3.56%
SVU Suwannee Valley*	23	0.74%	\$7.40	24	0.71%	\$7.44	\$0.05	0.63%
CMU College Manor*	55	1.77%	\$17.68	55	1.62%	\$17.06	(\$0.63)	-3.56%
	3110	100.0%	\$1,000	3386	100.0%	\$1,050	\$100	

* SVU & CMU are located in Columbia County which is a non-jurisdictional county.

** Assumes a 5% increase in common cost with the net addition of approximately 262 customers for the system acquired.

The buyer is the majority shareholder of Florida Utility Services 1, LLC (FUS1). The economy of scale exists by the sharing of administrative cost from FUS1 through the operation, maintenance, customer service and management of all the utilities owned by FUS1. The administrative cost includes management, maintenance, accounting, regulatory compliance and miscellaneous administrative services provided for all utility systems. The common cost is allocated to each system on a per customer calculated basis. With the acquisition of more utilities, the common costs for each of the individual systems is reduced and the share of the common costs to be allocated to the purchased system is minimized.

The schedule provided above reflects the individual utility cost savings for each utility system based on \$1,050 of FUS1 common cost assuming a 5% increase in overall common cost due to the addition of 262 customers for the newly acquired utility system.