**FLORIDA PUBLIC SERVICE COMMISSION**

 **Fletcher Building**

 **101 East Gaines Street**

 **Tallahassee, Florida 32399‑0850**

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

 **February 4, 1993**

**TO : DIRECTOR OF RECORDS AND REPORTING**

**FROM : DIVISION OF WATER AND WASTEWATER (MCROY)**

 **DIVISION OF LEGAL SERVICES (JABER)**

**RE : UTILITY: L.C.M. SEWER AUTHORITY**

 **DOCKET NO.: 920963-SU**

 **COUNTY: LEE**

 **CASE:NOTICE OF WITHDRAWAL AS RECEIVER FOR L.C.M. SEWER**

 **AUTHORITY IN LEE COUNTY BY STACO, INC.**

**AGENDA: FEBRUARY 16, 1993 ‑ CONTROVERSIAL ‑ PARTIES MAY PARTICIPATE**

**SPECIAL INSTRUCTION: I:\PSC\WAW\WP\920963.RCM**

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 **CASE BACKGROUND**

 On April 30, 1992, the Circuit Court of the Twentieth Judicial Circuit, issued a final order appointing Staco, Inc., reciever for L.C.M. Sewer Authority.

 On September 11, 1992, Staco, Inc., noticed the Commission of its intent to petition the Lee County Circuit Court to appoint another receiver, pursuant to Section 367.165, Florida Statutes. Staco, Inc., filed a Notice of Withdrawal as Receiver with the Circuit Court on September 11, 1992. On November 20, 1992, Water Spectrum, Inc. was appointed receiver and is currently operating the system. L.C.M. Sewer Authority is a class C utility presently serving 215 customers. The 1990 annual report indicates that revenues for the utility are $43,575.00. As reflected in the 1990 annual report, the utility has a net loss of $2,626.00.

 This recommendation is being brought to the Commission for the purpose of acknowledging the appointment of Water Spectrum, Inc., as receiver.

 **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission acknowledge the appointment of Water Spectrum Inc., as receiver?

**RECOMMENDATION:** Yes. (MCROY)

**STAFF ANALYSIS:** L.C.M. Sewer Authority is a small wastewater utility with approximately 215 customers located in Lee County. On April 30, 1992, the Circuit Court of the Twentieth Judicial Circuit, issued a final order appointing Staco, Inc., receiver for L.C.M. Sewer Authority. On September 11, 1992, Staco, Inc., noticed the Commission of its intent to petition the Lee County Circuit Court to appoint another receiver, pursuant to Section 367.165, Florida Statutes. Staco, Inc., filed a Notice to Withdraw as Receiver with the Circuit Court on September 11, 1992.

 On November 20, 1992, Judge William C. McIver appointed Water Spectrum, Inc., receiver of L.C.M. Sewer Authority. A copy of this Order is attached as Attachment A. Water Spectrum, Inc. is a small water and wastewater management company that operates small water and wastewater utilities throughout the State of Florida. Mr. Hank Landis, is the Chief Executive Officer for Water Spectrum, Inc.

 In the order appointing the receiver, it was ordered that:

1. The previous owner surrender all property, assets,
 documents, and facilities pertaining to L.C.M. Sewer
 Authority to the receiver;
2. The receiver operate and maintain the utility
 and collect all revenues and provide adequate
 and uninterrupted service to the customers;
3. The receiver pay all operating expenses from the
 revenues received;
4. The receiver shall make extensions, expansions,
 repairs, replacements, and improvement to L.C.M Sewer
 Authority as necessary.

 L.C.M. Sewer Authority currently has pending a Staff Assisted Rate Case (SARC) in Docket No. 920828-SU. It is expected that the receiver will continue the SARC with the Commission for an adjustment in rates. According to the 1990 annual report filed by the utility, it was indicated that the utility had a loss of $2,626.00 for the year. L.C.M. Sewer Authority has had effluent problems in the past but, the receiver is currently working with the Department of Environmental Regulation (DER) to resolve the problems.

 Currently, L.C.M. Sewer Authority's regulatory assessment fees for 1991, are delinquent. Also, L.C.M. Sewer Authority has not filed an annual report for 1991. The staff responsible for following up on regulatory assessment fees and annual reports have been apprised of these problems.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. (JABER)

**STAFF ANALYSIS:** No further action is required in this docket and it should be closed.

ATTACHMENT NOT AVAILABLE ON THE NETWORK